

As Labor Rumbblings Increase, Is EC Listening?

A Narrow Agenda For Brussels Talks

By Tom Buerkle
International Herald Tribune

BRUSSELS — When Jacques Delors launched a campaign to restore competitiveness and jobs in Europe earlier this year, he was driven by an overriding fear: That mass unemployment would touch off social unrest. That fear may be coming true. As Mr. Delors, the president of the EC Commission, and leaders of the 12 EC countries gather here for a meeting Friday that is likely to make progress only on narrow institutional issues, workers will take to the streets in protest at joblessness brought on by the Continent's worst recession since the war.

The strike by public-sector workers and demonstrations in the capital — which mirror growing labor protests around Europe — will oppose government plans to freeze wages and cut social welfare benefits. François Janssens, chairman of Air France's second-largest union,



Striking Air France workers, left photo, dancing around a bonfire outside the airline's Paris headquarters Thursday (Page 2). In Naples, industrial workers marched during a four-hour general strike to put pressure on government to protect jobs. And in Bonn, more than 100,000 construction workers protested plans to cut income support they get when bad weather stops them from working.

A Paris-Bonn call to give member states more say in how the EC is run raises doubts. Page 2.

said Belgium and other EC countries were following a dead-end route of cutting wages and jobs in a desperate bid to restore competitiveness.

"We will find ourselves at the level of Portugal," Mr. Janssens said. Instead, he contended, "what is needed is to launch growth and investment."

Across Europe, including in Portugal, unions are showing increasing militancy as governments continue with austerity programs even though EC-wide unemployment is soaring toward a record 20 million, or 12 percent.

Unions at Air France forced the French government to scrap a package of job and wage cuts by shutting Paris airports with mass protests. Italian unions staged a four-hour nationwide walkout on Thursday in protest of economic policy. And unions in Spain, as in Belgium, walked out at talks with employers and the government aimed at re-writing work and wage rules and overhauling deficit-ridden social welfare systems. At the Lisbon airport, several hundred employees of TAP-Air Portugal briefly disrupted flights on Thursday to protest plans for restructuring the state airline.

"There's no doubt that these economic difficulties are a threat to the cohesion of our societies," said Max Kohstamm of the Belmont European Policy Center in Brussels.

That threat is most likely to get little more than lip service from EC leaders at the meeting in Brussels, however. Instead, the leaders plan to reaffirm their commitment to the Maastricht Treaty on European Union's goal of greater political and economic integration,

including a single currency by the end of the decade. The main business will be horse-trading over the sites of 11 new EC institutions led by the European Monetary Institute, the forerunner of EC central bank that appears destined for Frankfurt.

The narrow agenda reflects the limited nature of the meeting, a one-day affair demanded by Chancellor Helmut Kohl of Germany to celebrate the Maastricht treaty's long-delayed ratification. The real debate on jobs and competitiveness is scheduled for the regular EC summit meeting in December.

But more important is that fact that EC countries agree on only one thing about the economic crisis: There are no quick fixes.

Prime Minister John Major has already dismissed the Friday meeting as irrelevant unless his colleagues endorse Britain's strategy. See EUROPE, Page 13



VW Ultimatum Threatens 30,000 Jobs

By Brandon Mitchener
International Herald Tribune

FRANKFURT — In an ultimatum to its German work force, Europe's largest automaker, Volkswagen AG, threatened Thursday to cut 30,000 employees from its payroll unless workers agreed to "dramatic adjustments," including a radical plan for a four-day work week.

VW said the only alternative to massive layoffs was to accept a four-day, 28.8-hour work week and a significant cut in pay starting in January. The company had earlier called the idea only an option.

In addition, it said mandatory retraining and a "new definition of what constitute

reasonable demands in material, functional, geographical and social matters" would be key to the salvation of the company, and by association, of German and European industry as a whole.

The ultimatum was just the latest shock wave from VW to hit the European car industry.

In recent weeks, the automaker announced plans to cut jobs and close a factory in its SEAT unit, the Spanish national car company that it owns, and to scale back investment in the Czech national carmaker Skoda, which it controls.

Worldwide sales of VW, Audi, SEAT and Skoda automobiles fell 12.5 percent, in 233

million, in the first nine months of the year, from 2.6 million a year earlier, the company reported Thursday. Sales were particularly weak in Europe, plunging 22 percent from a year earlier. Audi's VW's luxury car division.

Peter Hartz, VW's new labor director, said significant demand would render 30,000 of the company's 103,000 workers in Germany superfluous by 1995 without some kind of "dramatic adjustment."

"We stand before the question of massive layoffs or finding an alternative solution," he said.

In Munich, meanwhile, Deutsche Aero- See VW, Page 13

U.S. Turns Corner, The Numbers Say

3d-Period Expansion Rate of 2.8% Cheers Clinton and Buoy Markets

By Lawrence Malkin
International Herald Tribune

NEW YORK — The American economy has finally climbed out of the doldrums and is heading toward moderate and sustainable growth, the government reported Thursday, prompting President Bill Clinton to say that "we are moving in the right direction, and we have to stay on this course."

The Commerce Department, in its preliminary estimate, said gross domestic product grew at an annual rate of 2.8 percent in the third quarter, with inflation running at a mere 1.8 percent.

The figures came close to the upper limit of the range in which economists see the American economy performing during the next few years while it overcomes the deficits of the 1980s and adjusts to the rigors of international competition.

[The Treasury] Department said Thursday that the government had posted an \$8.3 billion budget surplus in September, bringing the deficit for all of fiscal 1993 to \$254.95 billion. Knight-Ridder reported from Washington. That was down from the revised 1992 deficit, a record \$290.34 billion, and the lowest yearly federal deficit since \$221.4 billion in fiscal 1990.

But the figures represent a definite rebound from the meager growth rates of 0.8 percent recorded in the first quarter and 1.9 percent in the second — and the government said they would have been about half a point higher without the effects of the summer's floods in the Midwest and drought in the Southeast.

Efforts to rebuild after those natural disasters and a sharp recovery by the U.S. auto industry are expected to push the growth rate temporarily above 3 percent for the fourth quarter.

Financial markets were mainly upbeat. The Dow Jones industrial average was up more than 40 points early in the day, powered in part by surges in shares of General Motors Corp. and of Eastman Kodak Co., which hired an energetic new chairman, George M. C. Fisher, away from Motorola Corp. The industrials still ended at a record high of 3,687.86, a gain of 23.20 points (Page 12).

The dollar started higher, but it had already gained about 4 percent since the start of last week, and selling by European central banks brought it back down.

The bond market, fearing an overheating economy, initially lost ground until Susan Phillips, a Federal Reserve Board governor, helped it recover by calling attention to the report's "quite encouraging" inflation figures.

Few private economists seem to believe the economy's moderate growth will prompt the Fed to raise interest rates until at least next

Dow Jones	Trib Index
Up 23.20 3,687.86 @ 4 P.M.	Up 0.07% 110.19 @ 4 P.M.

The Dollar	Previous Close
New York	1.6743
DM	1.4811
Yen	108.175
FF	5.853

year. That is good news for Mr. Clinton's administration, because the current record low long-term interest rates hovering around 6 percent for 30-year Treasury bonds are the only major stimulus it can offer for new investment and for housing purchases.

A breakdown of the GDP figures shows that the strongest growth sectors were those most sensitive to lower rates — housing construction, up 10.1 percent; business investment, up 9 percent, and spending on consumer durables, up 7.5 percent.

Government spending, which had been accelerated by the Pentagon ahead of the presidential election last year and helped create almost 6 percent growth during the fourth quarter of 1992, fell by 1.1 percent in the latest quarter, led by an 8.3 percent drop in defense expenditures.

Allen Sinai, a managing director of Lehman Brothers, said that in the 31 months since the economy went into recession, this was the first

See RECOVERY, Page 12

Expanding Arab Contacts, Israel Pursues a Gas Deal

By Clyde Haberman
New York Times Service

JERUSALEM — Israeli officials say they have held secret negotiations with the Gulf emirate of Qatar on a multibillion-dollar project to bring natural gas to Israel and export it across the Mediterranean to Europe.

The officials say they could sign an agreement by early December.

But Qatar's oil minister denied Thursday that a deal was in the making, calling reports of an imminent breakthrough "unrealistic and based on illogical assumptions."

Economic relations are not possible while the Arab boycott against Israel remains intact, the minister, Abdallah ibn Hamad Alattaiya, was quoted as saying by the Qatari News Agency. It was not clear through the thicket of contra-

dictory statements whether a deal was on. But there was little doubt that the Israelis had had contacts with representatives of a country that, like most Arab states, has been off limits to them for decades.

Foreign Minister Shimon Peres met secretly with his Qatari counterpart in New York last month, and several weeks ago an official from Mr. Peres' ministry went to Qatar to discuss economic and political relations.

In addition, Energy Minister Moshe Shalal is reported to have met in Israel with a group of Qatari energy specialists and businessmen, one of three delegations that came here last month.

The project under discussion with Qatar, the Israelis say, would involve shipping liquefied natural gas in tankers from the Gulf to the southern Israeli port of Eilat, on the Gulf of Aqaba.

Gas would then be carried by an as-yet-unbuilt pipeline from Eilat to an Israeli port on the Mediterranean, either Ashdod or Ashkelon. From there much of it would be exported to Europe by way of a pipeline to Greece that would be built under the Mediterranean.

The fate of the project, officials here say, depends on feasibility studies that are in progress and that they say are being paid for by Qatar, whose 350,000 people enjoy one of the world's highest per-capita incomes because of oil and gas revenues.

Mr. Shalal said several days ago that Israel would soon sign a natural gas contract with a Gulf country. He did not name the country, but other officials said that it was Qatar and that an agreement was expected in December. They put the cost of the project at \$2 billion or more and said it would supply Israel with gas for 25 years.

Aside from a small reserve of natural gas in the Negev and a solar energy program, Israel is dependent on imported oil and coal.

After Mr. Shalal spoke out on Israel's negotiations in the Gulf, other officials here expressed concern that his remarks may have killed the deal. An article Thursday in the newspaper Yediot Aharonot said the Qataris had gone back on their intention to sign an agreement.

But the remarks attributed to the Qatari oil minister suggested that a venture with Israel had never been realistic. Other Arab oil officials also dismissed the project as prohibitively expensive and improbable both technically and

See DEAL, Page 4

China and U.K. At Crossroads On Hong Kong

By Kevin Murphy
International Herald Tribune

HONG KONG — Beijing appears ready for the collapse of the long-running negotiations with Britain over Hong Kong's political future. As a result, after a 14th round of talks finished on Thursday with no breakthrough, Britain was steering itself to move ahead on changes in the colony that would allow Hong Kong citizens to choose the majority of their Legislative Council in 1995.

And China, which says it will overturn any laws it does not agree with after regaining

NEWS ANALYSIS

control of the colony in 1997, looks prepared to wait out the British.

"It does not mean that Sino-British relations have completely broken down," Qian Qichen, the Chinese foreign minister, was quoted by Agence France-Press as telling a trade delegation from Hong Kong on Thursday.

Signaling that Beijing will not return to an earlier strategy of obstruction that risks damage to Hong Kong's economy, Mr. Qian also told the delegation that cooperation was still possible and that the colony's industrial and commercial sectors should not worry.

London and Beijing on Thursday scheduled yet another two-day bargaining session for Nov. 19-20. By that time, however, after a Nov. 10 strategy meeting in London between Hong Kong's governor, Chris Patten, and Prime Minister John Major of Britain, the two sides may have little left to discuss.

"I am still uncertain as to whether we can achieve an agreement," a disappointed Sir Robin McLaren, Britain's ambassador to China and its lead negotiator, said in Beijing on Thursday, according to Reuters.

Despite describing the latest talks as "detailed, serious and substantive," Sir Robin said, "there is still, though, quite a gap."

It is a view shared by a Beijing spokesman. "After 15 rounds of talks, the two sides have achieved certain progress," said Wu Jianmin of

See COLONY, Page 4

Kiosk

Iran Brokers Armenia-Azerbaijan Truce

TEHRAN (NYT) — State-run Iranian television said Thursday that the government had brokered a cease-fire between Armenia and Azerbaijan during a visit by President Hashemi Rafsanjani to the Azerbaijani capital, Baku.

Using some harsh diplomatic language, the Iranian president warned that Armenians would "regret their aggression and unprincipled actions" against Azerbaijan, and that Muslims in the region would not allow the recurrence of years of war. The Tehran Times reported.

Mr. Rafsanjani arrived Wednesday in Baku on the last leg of an 11-day tour of Central Asia. The television reported that the cease-fire had been holding since Wednesday night. "Azerbaijani officials have requested Iranian intervention for a withdrawal of Armenian troops from Azeri territory," it added.

WORLD CUP SOCCER
Japan's ambitions died in a last-minute goal by Iraq. Teams that did qualify in the Doha round were Saudi Arabia and South Korea. Page 21.

Tastemakers
An occasional series about people for whom style is a way of life.

STARTING MONDAY
Suzy Menkes, the Trib's fashion editor, names some names in the first article in a series on people who define the styles that others only copy.



A WARNING — An Israeli soldier threatening residents of the West Bank town of Jericho on Wednesday. The army prevented, then allowed, a Palestinian march.

The 'N' Word: PC Types Fire Off E-Mail

By Martha Groves
Los Angeles Times Service

SAN FRANCISCO — Are nerds an oppressed minority? Is "nerd" itself a slur? Computerdom's great epithet has sparked some flaming e-mail at a Silicon Valley computer publication.

One middle-age man connected with the magazine had evidently had it up to his pocket. Firing off charged messages to colleagues, he likened the term to a racial slur, contending, in effect, that in the world of PCs, it is no longer politically correct to use the "N" word.

"A few were debating this, mostly by e-mail, which is what nerds, er, those people, the technically inclined, do," said David Diamond, managing editor of San Mateo-based UnixWorld, which covers the world of high-powered

computer operating systems and whose readers include you-know-whats.

The controversy at the magazine cooled after the expression, "Old Guard Nerds" was removed from a headline on an upcoming story. But the issue arises just when the technological advantages seem to be most in the driver's seat, with all the to-do over information highways.

Just what is a nerd? Dan Gookin's "Illustrated Computer Dictionary for Dummies" describes a nerd as "someone who is very wrapped up in computers — and often him or herself," and adds: "Nerds include those who love the computers because nothing else loves them back."

Mr. Gookin is at pains to distinguish nerds from "dweebs, whose idea of being socially acceptable is brushing their teeth and applying

deodorant," and he dismisses nerds-rights activists who might take umbrage.

If he really wanted to make fun of nerds, Mr. Gookin says, "I'd call them a dork."

"The Dictionary of Computer Slang," by Tony Thorne, defines nerd as "a gormless, vainglorious, tedious and/or ineffectual person."

Mr. Thorne says the word goes back to the late 1960s or early '70s, when members of surfing and bon-rodding cliques used it to refer to outsiders considered feeble or conformist. An earlier spelling was nard.

Many fully empowered nerds wear the appellation proudly. Canyon Co., which creates Windows and multimedia software, drew a big, eclectic crowd to a recent Nerd Networking bash at a San Francisco hotel.

"This is the true 'Revenge of the Nerds,'"

See NERDS, Page 4

Those Who Type Lose a Round

Compiled by Our Staff From Dispatches

LONDON — A British judge, ruling in a landmark case in Britain brought by a journalist against his former employers, said Thursday that there was no such condition as repetitive stress injury.

The judgment was a major setback for journalists and other keyboard operators suffering from painful wrist and arm conditions that they believe are linked to the persistent use of computer editing terminals.

The best-known aspect of repetitive stress injury is known as carpal tunnel syndrome. Britain's National Union of Journalists said an appeal was being considered and urged other sufferers of repetitive stress injury not to be disheartened.

In a 90-minute verdict, Judge John Prosser said repetitive stress injury was a gibbly used label that was "meaningless" and had "no place in the medical books."

He ruled against a financial reporter, Rafiq Mughal, 44, who had claimed damages and lost earnings from Reuters, at whose headquarters in London he worked from 1987 to 1989.

The judge described Reuters as a prudent and careful employer and said that the painful condition in Mr. Mughal's arms and shoulders was due to personal factors rather than conditions at work.

He added that the Mr. Mughal's problems See RSI, Page 4

Executive Arrested In Italy

First Trial Begins In Enimont Case

Reuters

MILAN — The police in Naples arrested the managing director of the state-controlled telephone company Thursday on suspicion of involvement in kickbacks as the first major trial springing from the political corruption investigations began in Milan.

On trial in Milan is Sergio Cusani, 43, a financier who prosecutors say is a key figure in the so-called Enimont affair, the biggest of all the bribery scandals.

The police in Naples arrested Vito Alfonso Gambale, the managing director of the state-controlled telephone company SIP SpA, on suspicion of involvement in kickbacks. A Naples politician and two local contractors were also arrested.

In Rome, the president and a top executive of the state body that promotes Italian exports were also arrested Thursday, state television reported.

Marcello Inghilesi, 53, head of the Italian Institute for Foreign Trade, and Giovanni Battista Ferruzzi, 55, director for North America, were accused of using their positions for private gain.

In the Milan trial, defense lawyers have promised further revelations about how the country's traditional political parties took huge amounts of bribes from businessmen and firms.

An overflow crowd of journalists was forced to take seats in metal cages put up around the courtroom over a decade ago for the trials of leftist guerrillas.

"This is just a modest trial but it is being turned into a media landslide," said Giuliano Spazzali, a defense lawyer.

Enimont was a loss-making chemicals venture between the state energy firm ENI and the Ferruzzi group that ended in an acrimonious split in 1990.

Magistrates say Mr. Cusani, accused of the illegal financing of political parties and falsifying balance sheets, played an important role in organizing Ferruzzi's payment of \$120 million in kickbacks to politicians, bankers and at least one judge to extricate itself from the alliance.

The initial legal debate will take three days as Mr. Cusani's lawyers seek to switch the trial to the town of Brescia nearby, away from the main glare of the media. The lawyers will also contest the admissibility of some of the accusations.

The main part of the trial, which could see some of the leading figures in Italy's corruption probes called as witnesses, is due to begin on Nov. 10 and last for about two weeks.

The disgraced former Socialist Party chairman, Bettino Craxi, and Arnaldo Forlani, once secretary of the Christian Democrats, are among that politicians that prosecutors plan to call.

Mr. Craxi and Mr. Forlani, former prime ministers who face dozens of different corruption inquiries, are accused of pocketing the bulk of the Enimont kickbacks for their political parties.

Mr. Cusani, who says he was merely a middleman in the affair, was detained in July, on the same day that Raul Gardini, the former Ferruzzi chief, committed suicide after learning he was about to be arrested. ENI's former chairman, Gabriele Cagliari, killed himself earlier that week in prison, where he was being held in connection with an investigation into kickbacks for a contract for gas turbines.

In a related development in Rome, the Senate voted overwhelmingly to scrap legislators' immunity from prosecution, allowing magistrates to investigate them without seeking permission. The new law, which passed the lower house two weeks ago and takes effect immediately, decrees that magistrates must make a formal request to Parliament only if they want to arrest a member, tap a telephone, or search a home or office.



Pravda journalists voting for a new editor in chief at the newspaper's headquarters in Moscow.

Pravda Bows to Yeltsin Demand

Reuters

MOSCOW — Pravda, the voice of communist opposition to President Boris N. Yeltsin, bowed to government pressure on Thursday and dropped its editor in an attempt to resume publication.

The newspaper's editor in chief, Genadi Seleznev, said he was stepping down in response to what he described as an ultimatum by the Information Ministry. "We have done this, and we are being promised that in a matter of days Pravda will come out," Mr. Seleznev said.

But he ruled out another demand by the ministry — that Pravda change its name, which means "truth."

"Our collective, by a 95 percent majority, categorically refused to meet that demand," Mr. Seleznev said. He said this should not prevent Pravda from resuming publication. "As I understand, the main thing for them was to remove me as chief editor," he said.

Mr. Seleznev said officials at the Information Ministry had promised that the state-owned printing house would be instructed to print Pravda. Pravda and most other opposition newspapers were banned or suspended by the ministry earlier this month after Mr. Yeltsin crushed an uprising by hard-line parliamentary opponents.

He said Pravda could fight the ministry's actions through the courts. But this would be a lengthy procedure when "the main thing is to get Pravda out."

The suspension has already damaged the paper's 1994 subscription campaign, which closes in November. Mr. Seleznev said he was replaced as editor in chief at a staff meeting late Wednesday. Viktor Linnik, the paper's former correspondent in the United States and deputy editor responsible for foreign affairs, was appointed to take his place.

Hong Kong to Scrap a Takeoff-Landing System

Reuters

HONG KONG — Hong Kong is to scrap an air-traffic system at Kai Tak airport after British inspectors branded it a safety hazard, the government said Thursday.

A preliminary report by Britain's Civil Aviation Authority said the system, which allows departing and arriving aircraft to fly 2,000 feet (610 meters) over each other, was "a definite hazard to flight safety" and should be stopped.

The suspension means about 113 more planes a week will have to fly over the quarter of a million residents of north Kowloon district.

Hong Kong commissioned a safety audit by the authority's after three incidents earlier this year when aircraft flew too close to each other, a spokesman for the colony's Civil Aviation Department said.

The spokesman said the incidents had all happened when the opposite runway system was not in operation. They compared with an average of zero to two incidents in the previous 15 years.

Under the system, airlines take off and land in opposite directions on Kai Tak's single runway at certain times of the day to avoid flying over Kowloon City.

The director of civil aviation, Peter Lok, said the system, known as "opposite runway" operation, would be halted starting Friday.

Kai Tak has two approaches: over Hong Kong harbor, or over Kowloon City, which is built up right to the airport perimeter.

forced to use police to solve the situation," President Mahamane Ousmane said. "We could not wait because no one was sure what was going to happen."

Mr. Ousmane went to the lobby of the Gawaye Hotel in Niamey to meet with 17 passengers, many still in the clothes they have worn since the plane was seized early Monday on an internal flight from Lagos to inland Abuja. The hijackers had freed most of the 159 passengers Monday.

The freed hostages thanked the president for his intervention. They said they had collectively said their last prayers on the plane, which was parked at the end of the runway, Mr. Ousmane said that he regretted the death of the crewman but that action was necessary to prevent something worse happening.

"It was his time, he has gone, may his soul rest in peace," Mr. Ousmane said. Speaking for the hostages, Umaru Maigida told the president that the remaining 20 passengers and 3 crew members had expected to die if the hijackers carried out their threat to set fire to the gasoline with which they had doused the plane.

Passengers said the hijackers were taken by surprise and offered no resistance.

Many Paris Strikers Resume Work, but Planes Stay Put

Compiled by Our Staff From Dispatches

PARIS — Severe disruption of flights by Air France continued on Thursday despite the decision by many employees to return to work.

The political cost from the strike, one of the longest and most militant in recent years, also was reflected in a Louis Harris Poll showing that the government's approval rating fell below 50 percent for the first time in its seven months in power, to 46 percent.

Although most Air France workers appeared ready to return to work at least until next week, many were being prevented from doing so by strikers who want to continue the job action.

Check-in workers, baggage handlers and other personnel at the Air France terminal at Roissy-Charles-de-Gaulle voted to call off their stoppage until Tuesday, when the company's new president, Christian Blanc, is due to open negotiations with the unions.

A hard core of strikers continued to occupy the freight departments at Roissy and Orly, where the dispute began two weeks ago, turning away nonstrikers.

Only maintenance men returned to work Wednesday, the management said, and there was a strong return-to-work movement in the same category at Roissy.

Mr. Blanc was appointed on Monday after the government backed down on Sunday, withdrawing a restructuring plan that had called for 4,000 job losses and pay cuts. Mr. Blanc replaced Bernard Attali who resigned as head of Air France to protest the plan's cancellation.

Le Figaro, a pro-government conservative daily, asked Mr. Balladur in an interview why he had backed Mr. Attali one day and dismissed him the next.

"I believe in change," the prime minister replied, referring to the need to redress nonproductive state firms. "But the changes must be progressive, properly explained and accepted."

He said a new cost-cutting plan must avoid layoffs. (AFP, Reuters)

Lisbon Strikers Take Their Cue From Air France

Reuters

LISBON — Several hundred employees of TAP-Air Portugal briefly disrupted flights at Lisbon airport on Thursday to protest plans to restructure the loss-making state airline.

About 600 airline employees took up positions on one of the airport aprons, blocking the departure of three flights for more than an hour.

The protesters, who broke away from a rally of 3,000 airline employees at Lisbon airport, carried a banner reading "TAP and Air France — the same struggle."

The rally was called after a breakdown in talks on the plan between the airline management and unions Thursday.

The protest was clearly inspired by the disruptive job action of Air France workers in Paris this week, which forced the French government to scrap a restructuring plan.

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WORLD BRIEFS

North Korea Denies Missile Test Plan

TOKYO (AFP) — North Korea's news agency denied a "smeared campaign" on Thursday foreign press reports that North Korea was planning to test-fire a medium-range missile in Iran this month.

The Korean Central News Agency, monitored in Tokyo, called it "inconceivable" that North Korea, "making consistent efforts for world peace and security, intends to conduct a missile launching test in a far-off country." It said the "paid media of Japan and Britain" were spreading the allegation.

The Saudi Arabian newspaper Asharq Al Awstat reported last week, quoting unidentified sources in Tehran, that North Korea would test the missile, named the Rodong-2, which could hit Israel. IRNA, the official Iranian news agency, quoting an Iranian Foreign Ministry source, called the report a "mere lie."

Gunmen Kill Egyptian Police Officer

ASSIUT, Egypt (Reuters) — In the second killing of a senior Egyptian police officer in two days, men thought to be Muslim militants shot and killed a brigadier and wounded four people on Thursday in the upper Egyptian town of Qena, the Interior Ministry said.

Brigadier General Mahmoud Dib, head of investigations in the Qena security department, was killed when an unknown number of gunmen opened fire on his car with automatic weapons. He was going to work at the time of the attack, a ministry spokesman said.

It added that two police officers and two bystanders had been wounded, one of them critically. On Tuesday night, Lieutenant Colonel Abu Bakr Azmi Abu Salem was shot and killed on the balcony of his home in the town of Abu Tig. That attack was also thought to have been carried out by militant Islamic fundamentalists.

Georgian Rebels Recapture Town

TBILISI, Georgia (Reuters) — Georgian rebels mounted a counter-offensive against government troops on Thursday and recaptured a western town, a government spokesman said.

The spokesman, Zviad K. Gamsakhurdia, said the forces of the ousted president, Zviad K. Gamsakhurdia, had retaken Khobi, which government troops had captured just 24 hours earlier.

Dublin to Propose Change on Ulster

DUBLIN (Reuters) — Prime Minister Albert Reynolds of Ireland will tell Britain on Friday that Dublin could be prepared to rewrite its constitutional claim to Northern Ireland as part of a formula for peace, official sources said Thursday.

They said an Irish peace blueprint outlined Wednesday by Foreign Minister Dick Spring was the most coherent compromise offer it had made to unionists who want to keep the province British.

Mr. Spring told the legislature that Ireland's commitment to change would have to be expressed in its fundamental law. A senior official said this would mean rewriting two highly contentious articles of the constitution, in which Ireland lays claim to jurisdiction over the whole island. It would be one of the most dramatic constitutional changes since Ireland gained independence from Britain in 1921.

U.S. and Belarus Revise Military Ties

WASHINGTON (Reuters) — The United States and Belarus agreed Thursday to improve military ties in a continuing U.S. push to promote democracy and eliminate nuclear weapons in former Soviet states.

Defense Secretary Les Aspin and the Belarus defense minister, Pavel Krzlovsky, signed a memorandum providing for regular top-level U.S.-Belarus military meetings and setting up a defense working group to "broaden and deepen" relations.

Mr. Aspin signed similar military agreements this year with the defense ministers of Russia and Ukraine and is expected to do so with Kazakhstan, the fourth former Soviet republic with nuclear arms on its territory.

Muslims in Kashmir to March Again

SRINAGAR, India (AP) — Muslim leaders announced a second mass march to a rebel-occupied shrine on Thursday as troops surrounded the building for the second week.

The march, called to show support for the separatist rebels in the Hazratbal mosque, was called for Friday after prayers. A similar march held last Friday — in defiance of a curfew — ended when paramilitary police fired on demonstrators and killed about 50 people.

The siege of the mosque, said to ensnare a hair from the beard of the prophet Mohammed, is one of the worst confrontations between troops and rebels who want Jammu-Kashmir to either join Pakistan or become independent. More than 7,500 people have been killed since the insurgency flared in 1989.

For the Record

Anastoi Karпов of Russia and Jan Timman of the Netherlands drew the 19th game of the World Chess Championship on Thursday after 43 moves and 5 hours of play. Mr. Karпов leads the 24-game series by 12 points to 7. He needs just 0.5 more points to win the championship and the lion's share of the prize fund of a million Swiss francs (\$700,000). The next game will be Saturday. (Reuters)

TRAVEL UPDATE

Gulf Air will resume flights to Sana'a, Yemen, in December, a Gulf Air spokesman said Thursday. Gulf Air, owned by Bahrain, Oman, Qatar and Abu Dhabi, halted flights to Yemen after it became strained over its perceived sympathy with Iraq during the 1991 Gulf war. (AFP)

Bejaoura airport in Burundi has reopened to commercial flights, and phone links have been restored after a military coup on Oct. 21. (AFP)

Niger Police Storm Hijacked Jet, One in Crew Dies

Reuters

NIAMEY, Niger — Niger police commandos stormed a hijacked Nigerian airliner on Thursday to rescue 20 hostages, but one of the crew members was killed.

Commandos entered the plane with guns blazing, seizing the four hijackers and freeing the hostages.

Authorities in Niger, Nigeria's northern neighbor, said they had to act just before a deadline set by the hijackers threatening to blow up the Airbus A-310 they had been holding for three days.

The deadline was approaching and we were when the parliamentary group of Germany's Christian Democratic Union urged that an EC summit meeting on Friday begin planning institutional reforms to ensure that the Community can continue to operate effectively when it takes on new members later this decade.

The party has already proposed a new system of majority voting that would enhance the power of large states and give Germany the only veto power.

Jürgen Aumüller, president of American Express Travel Related Services for Europe, said that the problem was with the airlines rather than American Express, and that talks were under way with the participating carriers in its Membership Miles programs around the world to extend the program's benefits to dollar-cardholders.

He also said American Express was trying to get British Airways and Lufthansa to participate in the program.

More than 100,000 international holders of American Express cards who pay their bills in dollars have been excluded from the promotional scheme, which was introduced in the United States in 1991 and is now being extended in Europe. The program rewards users of the card by granting them points that can

Wait Till '94, Amex Tells Cardholders

By Jacques Neher

International Herald Tribune

PARIS — An American Express executive said Thursday that its international dollar-cardholders would not be permitted to benefit from its frequent flyer program until at least next spring.

Jürgen Aumüller, president of American Express Travel Related Services for Europe, said that the problem was with the airlines rather than American Express, and that talks were under way with the participating carriers in its Membership Miles programs around the world to extend the program's benefits to dollar-cardholders.

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be applied to customer-fidelity programs run by participating hotels and airlines.

Mr. Aumüller said the company had put a priority on setting up the programs for its European national units, which have 4.5 million local-currency customers.

He said extending the scheme to include cardholders who pay in dollars was a "very complicated" process requiring additional negotiations with the participating airlines.

"It's not something we don't want 100 percent," Mr. Aumüller said. "It's very dependent on the airline participants and requires a lot of negotiations. If we could have an Ecu card in Europe, it would be much easier."

He said American Express aimed to bring European dollar-cardholders into the programs "by the second quarter of 1994."

Virgin Atlantic Airways, however, which is participating in American Express's program in Britain, due to be launched Nov. 1, said there was "never a question" of including non-sterling cardholders and that it would be "no problem" to do so if it wanted.

"It's strictly a marketing question," said James Murray, a Virgin spokesman. He said that the airline was seeking to attract "a group of very lucrative business travelers" and that "the sterling cardholders are an ideal starting point."

"If the scheme is effective, we will consider extending it to non-sterling cardholders," he said. "It's easy enough to calculate a dollar equivalent."

Mr. Aumüller said it was in his company's interest to accommodate the dollar-cardholders in Europe. The Membership Miles program is offered to local-currency cardholders in Australia, Canada, Mexico, Singapore, Hong Kong, Malaysia and Thailand. A spokesman said talks were also under way to open these programs to international dollar-cardholders in Britain, in addition to Virgin. American Express is teaming up with frequent-flyer programs run by several carriers but not with the country's biggest, British Airways. The program will also be launched in Germany on Nov. 1, but without Lufthansa, its biggest carrier.

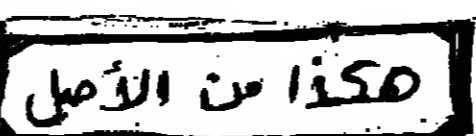
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STATESIDE / CALIFORNIA INFERNOS

A One-Two Punch on Health Care Plan

The Associated Press
BALTIMORE — President Bill Clinton and his wife, Hillary, teamed up Thursday to pitch their rescaled health care plan to the nation, insisting that "100 percent" of Americans would benefit and inviting the public to study the fine print.

Mr. Clinton, in a speech at Johns Hopkins University, said the plan "is real, it is specific, it is concrete."

"It is universal and comprehensive," he said, adding that people involved in providing health care "had a big role in this."

Traveling outside Washington one day after delivering a revised version of the plan in Congress, where competing proposals abound, Mr. Clinton said of the proposal: "It

will fix what's wrong and keep what's right. It's high time we did it."

Mrs. Clinton, who is a chief architect of the plan as head of a presidential task force, said in an earlier speech to the same audience that the health care debate would be "a vigorous one."

"There is a lot at stake," she said.

Taking note of the critics mobilizing on many sides, she added: "We want people to become informed in order to rebut the kinds of attacks, the misinformation, the advertising campaigns that will be stirred up in the next months."

In sending the revised plan to Capitol Hill on Wednesday, Mr. Clinton renewed a challenge to legislators to approve a bill in 1994. The president is trying to position his plan

at center stage and nudge aside the numerous competing plans — some that would set up a more sweeping government-run system and others with more limited goals to encourage broader access to affordable health coverage.

Aides said that although the president would aggressively push his principle of universal health coverage for all, others in the administration would try to highlight flaws in competing proposals.

"Clinton will remain the fray for a while at least," said an administration official.

In the administration's view, competing plans are out as good because they do not lock in coverage for everyone and do not spell out what benefits would be guaranteed.

Clinton-Like in Complexity and Idealism

By Steven Pearlstein
Washington Post Service

WASHINGTON — Nothing Bill Clinton has done so far, or is likely to do, better defines his presidency than the massive health care plan he has just delivered to Congress.

Woven through the 1,300-page plan is a liberal's passion to help the needy, a conservative's faith in free markets and a politician's focus on the middle class.

The plan is most like Mr. Clinton in its complexity, its sheer ambition, its determination to make government, as the president said in his inaugural address, a place for "bold, persistent experimentation."

"It's not a cautious plan," said John Rother, chief lobbyist for the American Association of Retired Persons, who supports the plan's general direction. "It pushes the boundaries of what is thought to be do-able."

Although the word "expertise" has taken on a negative connotation in recent years, it remains a point of pride with Mr. Clinton that the health plan has had more input, and been reviewed by more policy analysts, than any legislation in modern history.

Every page of the plan they have come up with is infused with their faith — critics might say conceit — that government can again become an active, effective agent for change capable of solving the most intractable problems.

"The most Clintonesque part of it is the apparent belief that an army of policy wonks can predict what would happen under a program that would change one-seventh of the economy, which, after 30 years of experience, tells us we can't do," said Joseph Califano, whose own idealism crashed into reality during his tenure as health secretary under President Jimmy Carter.

Mr. Clinton and his team have been selling health reform as an elixir for America. Their pitch is that it will not only extend health care to the poor and control its cost, but also

guarantee financial security, raise wages, reduce the federal budget deficit and make U.S. firms more competitive.

The essence of the plan is a shotgun marriage between the most cherished ideas of left and right — a third way that Mr. Clinton has been trying to blaze.

On the one hand, the plan not only relies on the existing free market in health care services, but also takes steps to instill price and quality competition among providers where it does not exist.

On the other hand, the plan establishes an elaborate new framework of government

NEWS ANALYSIS

rules, sanctions, incentives and price controls that will govern everything from the forms used by hospitals to the number of brain surgeons who will be trained in every state every year.

Mr. Clinton calls this marriage "managed competition," but to many it sounds like an oxymoron.

"He is driven by the political identity he wants to have of a centrist new-style Democrat, not an old-style tax-and-spend Democrat," said Drew Altman, president of the Kaiser Family Foundation, a California-based organization that works to improve health care. "It's a mission he is on."

"It's trying to take the best of both worlds, but it's a straddle, and I'm not sure it works," said Representative Dave McCurdy, Democrat of Oklahoma, a one-time political ally of the president's. "Certainly from a political standpoint, it's a very hard sell."

The complexity is largely the result of Mr. Clinton's insistence on charting this middle course between the political shoals of "big government" and unfettered markets.

Early on, a number of Clinton advisers favored simplifying the way Americans pay for health insurance by imposing a payroll tax to pay for the health insurance policy or their choice for all Americans, working or

not. The payroll scheme was favored by Senator Edward M. Kennedy, Democrat of Massachusetts, the Senate's leading health care advocate, as well as by organized labor.

Mr. Clinton decided against it, according to aides, because it smacked too much of traditional liberal instincts toward taxes and big government. Congress's refusal in the spring to pass his broad-based energy tax only stiffened his reluctance to propose an even bigger and broader tax.

Additionally, a health care tax levied as a percentage of wages would have involved a massive redistribution of income from the upper middle class to the poor and working class.

At the same time, Mr. Clinton was unwilling to abandon all progressive ambitions for health care change. As a result, the plan seeks to achieve through the back door some of the results a payroll tax would have achieved more directly.

"Once he rejected the idea of a payroll tax, he had to do double back-flips to get to the same place," Mr. Rother said.

To avoid a broad-based tax, the Clinton proposal is built around a mandate that all businesses pay 90 percent of the cost of a Fortune 500 health policy for all employees.

Laid over the mandate is an elaborate and expensive system of government subsidies and price caps.

And to assure those concerned that this subsidy program does not turn into a blank check drawn on the Treasury, the administration this week proposed to cap the cost of the program — a fiscal circuit breaker that would force Congress to deal with a runaway new entitlement either by raising taxes, raising premiums or reducing health benefits.

Administration officials implicitly acknowledge the complexity that derives from some of their policy prescriptions. But Ira C. Magaziner, a chief presidential adviser on health care, reminded reporters that the complexity of the current system "defies human imagination."



From the vantage point of a car passenger seat, an Altadena woman reacted to the sight of her neighbor's house on fire.

Lashed by Wind, California Fires Spread

Compiled by Our Staff From Dispatches

LOS ANGELES — Runaway brushfires burned or severely damaged hundreds of homes and scorched more than 90,000 acres of brush and timberland in Los Angeles, Orange, Riverside, San Diego and Ventura counties in Southern California on Wednesday and Thursday.

In Washington on Thursday, President Bill Clinton declared the counties to be disaster areas and promised to bring "a full federal response."

Damage was expected to run into the hundreds of millions of dollars.

Forcing thousands to flee, the wind-whipped infernos struck hardest in the picturesque seaside resort town of Laguna Beach 40 miles (65 kilometers) southeast of Los Angeles and a neighborhood of the upscale Altadena suburb, located 15 miles northeast of Los Angeles.

No deaths were reported, but dozens of firefighters and several residents were reported injured in the 13 separate blazes.

The Laguna fire was attributed to an arsonist and the Altadena one to a transient's campfire.

Arson was suspected in several of the other blazes as well.

In Laguna Beach, flames driven by hot, dry winds of the desert destroyed at least 300 homes — many of them multimillion-dollar estates — Wednesday afternoon.

The fire leapt from house to house as desperate residents abandoned valuable belongings and fled for their lives.

"The city is going up in flames," said Mayor Lida Lenney, as she packed up to leave her home. "God, what next?"

The city's entire population of 24,000 was evacuated as California Highway Patrol officers and local police joined understaffed firefighting teams in a losing battle to slow the blaze.

By nightfall, homes in Laguna Canyon were ablaze.

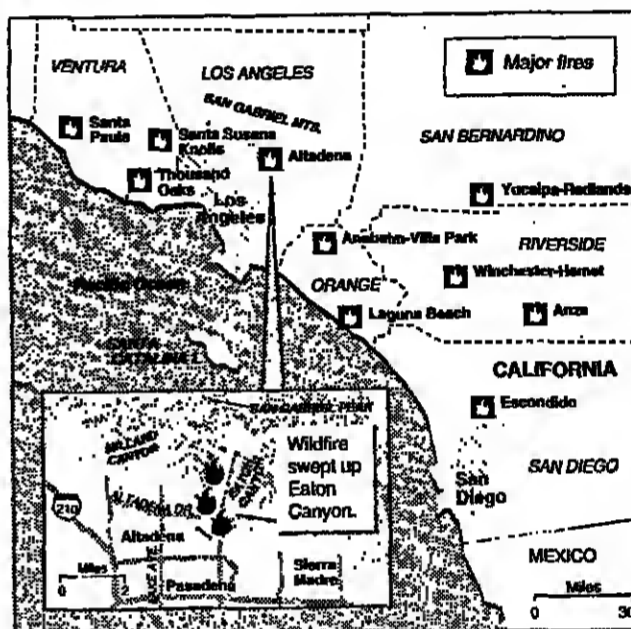
An hour later, the winds shifted and the fire turned back to the north, approaching the city of Irvine, 8 miles north of Laguna Beach.

The campus of the University of California, Irvine, and a nearby residential area, were ordered evacuated.

Winds that blew at a strength of

more than 70 miles per hour Wednesday, making the flames uncontrollable, weakened Thursday, giving hope that progress could be made.

Some 6,500 fire fighters were battling the fires. Another 600 fire fighters from the U.S. Forest Service were to join them Thursday. (LAT, AP)



POLITICAL NOTES

Showdown Draws Near on Packwood Diaries

WASHINGTON — The Senate will try Monday to resolve a contentious and apparently unprecedented dispute over Senator Bob Packwood's refusal to comply with an ethics committee subpoena of his personal diaries sought as part of an investigation of alleged sexual misconduct.

Ending three days of uncertainty over how to proceed, the Democratic leader, George J. Mitchell of Maine, announced that the Senate would begin on Monday to consider the committee's request for authority to force Mr. Packwood by legal means to turn over the diaries. The step will be debated after a formal vote to compel attendance, said Mr. Mitchell.

He made the announcement after the committee refused to back off its decision despite pressure from many of Mr. Packwood's Republican colleagues to do so.

The committee has been investigating allegations that Mr. Packwood, 61, an Oregon Republican, made unwanted sexual advances to more than two dozen female aides, lobbyists and associates and then tried to intimidate into keeping quiet about the incidents. (WP)

CIA's Word Is Good Enough, Democrat Says

WASHINGTON — Pleading for release of an intelligence authorization bill being held hostage, a senator says the CIA director, R. James Woolsey, has assured him that a search of agency files found none of the documents that Senate Republicans allege exist on a Pentagon nominee they are trying to block.

"That is the word of the director of the CIA and that word is good enough for this senator," said Dennis DeConcini, Democrat of Arizona and chairman of the Senate intelligence committee.

Mr. DeConcini, in a speech on the Senate floor, said Mr. Woolsey had assured him that a search of agency files turned up none of the documents conservative Republicans say exist on Morton H. Halperin, President Bill Clinton's nominee as assistant secretary of defense for democracy and peacekeeping.

Senate Republicans have put a hold on the annual intelligence authorization bill while they challenge the nomination.

Several conservative Republicans contend that the CIA has documents about meetings Mr. Halperin allegedly held overseas, sources familiar with the situation have said. (AP)

Bipartisan Group Seeks More Budget Cuts

WASHINGTON — A bipartisan group of House moderates and conservatives, dissatisfied with the spending cuts in the budget package Congress approved in August, has announced a plan for \$103 billion more in cuts over the next five years.

More than one-third of the proposed deficit reduction would be achieved through savings in health care programs for the elderly, which puts the group at odds with administration plans for using those savings to help finance health care reforms. (WP)

Quote/Unquote

Reactions to President Clinton's health-care plan:
"A historic moment," Representative Thomas S. Foley, Democrat of Washington and the House speaker.
"The largest entitlement program in the history of the world, not just the United States," Senator Paul D. Coverdell, Republican of Georgia. (NYT)

Away From Politics

• America's Roman Catholic bishops have drafted a statement calling for a more active U.S. role in the world, including preventing the spread of nuclear weapons and global arms sales, supporting the United Nations, expanding foreign aid and, when necessary, using military force for interventions intended to rescue people from hunger or mass violence. The draft will be submitted for amendments and a vote when the bishops meet on Nov. 15-18 in Washington.

• A seventh murder charge has been filed in New York against a man suspected of killing 18 people, mostly prostitutes. Joel Rifkin was charged with murder, tampering with evi-

dence and removing a body in the death of Iris Sanchez, 25, the district attorney said.

• Seven makers of diet pills and formulas were charged by New York State with making false claims about their products in national advertisements. Cited were Hanover Labs of Livingston, New Jersey; Martrim of Lawrence, Kansas; Protal Nutrition of Berlin, Connecticut; Universal of New Brunswick, New Jersey; Body by Jay Fitness Enterprises of San Jose, California; America's Best Nutritionals of Desha, Florida; and World Wide Marketing of Hollywood.

• Child abuse cases have increased 50-fold in the United States in the last 20 years, to

Doris Duke Dies, Heiress Was 80

Compiled by Our Staff From Dispatches
LOS ANGELES — Doris Duke, 80, who inherited her father's tobacco fortune to become known as "the Richest Girl in the World," died Thursday in Beverly Hills after a long illness.

Doris Duke was a month shy of her 13th birthday when her father, James Buchanan Duke, died in 1925 and left the bulk of his estate of \$300 million to her, his only child. Most of the Duke millions came from the American Tobacco Co., the Duke Power Co. and real estate investments.

Miss Duke grew up on Duke Farms in Hillsborough, New Jersey, a spacious estate developed by her father, which she later expanded. At her death, she had five homes decorated with the art and artifacts she collected from around the world.

Her father had protected his "Duchess" from public view, but attention began to focus on the young heiress, especially when, 10 months after the stock-market crash of 1929, with bread lines already forming, Miss Duke held a coming-out party for 600 guests.

Both of Miss Duke's marriages ended in divorce. In 1935 she married James H. R. Cromwell. Her second husband was the playboy and polo player Profiro Rubirosa. One evening in Rome in 1945, Miss Duke told a friend that her vast fortune was in some ways a barrier to happiness.

"All that money is a problem sometimes," she said. "It happens every time. After I've gone out with a man a few times, he starts to tell me how much he loves me. But how can I know if he really means it? How can I ever be sure?"

Miss Duke's fortune had a particularly deep effect on her because she was thought for years to be the richest woman in the world. And she had that reputation during the Depression, when her wealth stood in especially stark contrast to widespread poverty. As a result, although some other fortunes exceeded hers and although she lived

Shiite Dissidents And Saudis Agree On Repatriation

New York Times Service
PARIS — The Saudi government has reached an agreement with Shiite opponents of the regime to suspend their activities abroad, including publications that attack Saudi Arabia's human rights record. In return, exiled Shiites are being guaranteed a safe return to Saudi Arabia.

According to senior Saudi officials and spokesmen for the Reform Movement, a loosely organized Shiite opposition movement, the group terminated publication of its monthly newsletter, Arabian Peninsula, which was printed in London, and agreed to stop assisting the Saudi government.

In return, the government agreed to let the dissidents return home safely, to release an undetermined number of imprisoned opposition figures and to reinstate passports for others in the Shiite community.

The Shiite community is estimated to number 700,000 out of a population of about 12 million.

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Switzerland	S.Fr. 3,500	2,625	1,750
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Satellite Hits Sea, But China Doubts It

Compiled by Our Staff From Dispatches

COLORADO SPRINGS—The U.S. Space Command said Thursday that a disabled two-ton Chinese satellite had crashed into the Pacific Ocean west of Peru.

No one hurt. No big deal. Except that the Chinese said nothing of the sort could have happened. If an object from space had fallen to Earth, they said, it wasn't theirs.

Their satellite was good as gold for six more months, at least, the Chinese said. Or as good as the diamonds of a Mao Zedong medal that was in the space vehicle.

The U.S. Space Command began announcing the demise of the Chinese reconnaissance satellite a few days ago, getting more precise in its forecasts as time passed. Since last Friday, the *smackdown* time had been put at 1606 GMT on Thursday. (The actual time it struck the ocean at 1609 GMT, the Space Command said.)

During all this, although admitting they had lost control of the satellite, the Chinese denied their vehicle was in imminent danger. Not only were the Americans wrong, they said, but so were the Germans and others who came to the same conclusion from reading their instruments.

Just hours before the crippled satellite "skipped through the atmosphere like a stone on a lake," in the words of the Space Command, and struck down about 1,000 miles (1,600 kilometers) off the Peruvian coast, the China National Space Administration said: "We do not understand why the Americans continue to say it will fall imminently."

"If a craft falls in the Pacific Ocean during the night, it won't be our satellite," the Chinese said. "We can trace it with precision, and tomorrow the facts will prove that the Americans have made a big mistake."

Chinese authorities insisted that the satellite, launched Oct. 8, but out of control since Oct. 16, "will not come back to earth within the coming half-year."

Set aloft by a Long March 2C rocket from the Jiuquan space center in northwest China, the satellite was carrying instruments to test microgravity and "is mainly used for scientific research," according to a Chinese spokesman.

"The satellite is not carrying any nuclear fuel or other harmful materials," he added. "Information about its re-entry will be publicized in a timely manner." (AP, AFP)

ASIAN TOPICS

Hong Kong Chinese Like English Names

Tens of thousands of young Chinese in Hong Kong add English names to their Chinese names each year, The New York Times reports from the crown colony.

It is not uncommon to encounter sophisticated Chinese with names like Sherlock, Apple, Psyche, Creamy or Cinderella.

The practice has been growing for the past couple of decades.

"Today, taking an English name is a kind of rite of passage for many Chinese here," said Cathy Tsang-Feign, a psychologist and newspaper advice columnist.

Even in these final years of British rule, with Beijing scheduled to take over the territory in 1997, teachers and parents say the cachet of a Western name has never been stronger.

Some Chinese parents in Hong Kong give their children Western names at birth, but most who have such names choose their own.

Rachel Wong said people liked to have English-language names "because it shows they are Westernized."

"These names set them apart from the mainland Chinese and even from people in Taiwan," she said.

While many take traditional names like Jane or David, some choose names that puzzle, amaze and delight Westerners—

names like Civic, Scholastica and Open.

One local newspaper recently referred to a truck driver named Hitler Wong, and ran a letter to the editor signed by Jackal Chang.

Around Asia

With growing prosperity, motorbikes are rapidly replacing bicycles in Hanoi. And officials in the Vietnamese capital are laying down fines and criminal charges for the growing army of well-off youngsters who ride motorbikes recklessly, according to the Hanoi *Moi* newspaper.

For a first offense, the bike will be confiscated for 30 days and the rider fined two million dong (\$200)—the annual income of an average Vietnamese.

The penalties were decided after several nighttime high-speed rides by hundreds of young bikers around Hoan Kiem Lake in the city center.

People call Taipei's subway the roller coaster, but without the fun. And that is before it has carried its first commuter, The Associated Press reports.

The 55-mile (90-kilometer) Mass Rapid Transit has encountered delays, cost overruns and accidents. Its \$10 billion price tag has ballooned by 60 percent since construction began in 1989.

The first of six lines was completed last month but the opening was postponed indefinitely after the train brakes caught fire twice during test runs, and hairline cracks were found in one-third of the horizontal concrete supports for the elevated sections.

Arthur Higbee



STEPPING OUT—Japan's Empress Michiko making her first public appearance in Tokyo on Thursday since collapsing Oct. 20 on her 59th birthday. The empress, who is still unable to speak, was visiting the archives at the Imperial Palace.

Haig Faults Policy on China

Tiananmen 'a Long Way Behind Us,' He Says

By Patrick E. Tyler
New York Times Service

BEIJING—Sitting in one of the skyscraper hotels that signify China's economic ascent, former Secretary of State Alexander M. Haig Jr. was seething about United States policy toward China.

Visiting Beijing early this month to introduce the new president of the United Technologies Corp. to the Chinese leadership, Mr. Haig argued that Washington was about to lose China again by driving the oct generation of Chinese leaders toward "jingoism" and "anti-Americanism."

"How dare we go around telling the rest of the world that they must live up to American standards on human rights, he demanded.

"I think the time has come to take a different tack here," he said. "And Tiananmen is a long way behind us."

His hotel is a few miles east of Tiananmen Square, where thousands demonstrating for democracy fled the military crackdown June

4, 1989, a night that left hundreds if not thousands dead.

With President Bill Clinton meeting the leader of the Chinese Communist Party, Jiang Zemin, in Seattle next month, the question of whether and how to move U.S.-Chinese relations into a new era is most likely to be answered soon.

The greatest restriction to movement may have come from Mr. Clinton himself.

In May, he laid down a daunting challenge to the Chinese leadership when he signed an executive order extending China's most-favored-nation trading privileges for another year, but insisting that in that time China show "consistent overall progress" on human rights.

Many China specialists worry that this schedule may be too short and internal pressures too great.

China's paramount leader, Deng Xiaoping, 89, is in declining health, and the prospect of his death has rendered his potential successors more cautious than ever about undertaking change. Any leader who could be said to have bent to America's will might be vulnerable in any power struggle after Mr. Deng's death.

Moving U.S.-Chinese relations away from the annual congressional wrangle over renewal of trade status, with its emphasis on human rights, is an idea shared by numerous businessmen and diplomats who are coming to China.

This view is also shared by such China specialists as Kenneth Lieberthal at the University of Michigan, who has begun to advocate that the United States "should stop punishing China for the massacre of demonstrators" near Tiananmen Square, because China is simply too big and too important to isolate indefinitely.

Mr. Haig lowers his voice to give the geostrategic underpinning to his argument. In the future, he said, the only way to protect Asia from

the kind of Japan "that we don't want to see" is to build a strong relationship with China.

Since the United States already has a strong relationship with Japan, an equally strong U.S.-Chinese relationship will be complementary, he argued. Keeping these future Asian superpowers balanced "is the greatest safeguard against regional uncertainty and instability," Mr. Haig said.

And what would become of human-rights policy?

"We should espouse our values, but we should do it by example, not by pedantry," he replied.

Not far from his hotel, a recently released political prisoner provided some contrast.

The prisoner was held for more than two years in solitary confinement and thought for a time that he had lost his mind in isolation. His health is broken, his life shattered by his pamphleteering for democracy in 1989. He asked that his name not be used.

After listening to a description of Mr. Haig's view, he said that keeping up the pressure on the Chinese leadership to respect human rights has been one of the greatest influences on his behavior.

"It would be very sad if the United States changed its policy in this way," he said.

China Sees 'Good Thing'

China said Thursday that it hoped talks next month with American and Chinese heads of state would help improve relations and deepen mutual understanding, Agence France-Press reported from Beijing.

It also described as a "good thing" Mr. Clinton's recent decision to step up high-level exchanges with China.

Mr. Clinton and President Jiang Zemin of China are scheduled to meet in Seattle before the opening of an Asia Pacific economic conference Nov. 19.

Russians Seek To Keep Base at Cam Ranh Bay

The Associated Press

MOSCOW—Russia would like to retain the former Soviet Navy base at Cam Ranh Bay in Vietnam and develop military cooperation with Hanoi, Foreign Minister Andrei V. Kozyrev said Thursday.

Russia is interested in keeping the base "on the basis of bilateral agreements," Mr. Kozyrev told the Interfax news agency after meeting with Foreign Minister Nguyen Manh Canh of Vietnam.

"It's especially important now that neither Asian countries, nor other more distant states, object against military cooperation between Moscow and Hanoi or see any threat in that," Mr. Kozyrev said.

Mr. Canh said talks on the future Russian military presence in Cam Ranh were still going on. "We are interested in finding a solution which would correspond to the present moment," he said.

The Soviet Union sided North Vietnam during the Vietnam War. The Soviet Pacific Fleet later established a major base at Cam Ranh, a former U.S. installation.

In the late 1980s, relations between the Soviet Union and Vietnam cooled after Mikhail S. Gorbachev cut aid to Hanoi. Some Russian personnel are still based at Cam Ranh and Russian warships visit the bay, but funds for the facility have been sharply cut back.

A New Phase in Japan's Bribery Scandal

By James Sterngold
New York Times Service

TOKYO—A simmering bribery scandal that has exposed deep webs of corruption between powerful politicians and construction companies entered a dangerous new phase on Thursday when the first case went to court and a former mayor admitted accepting nearly \$1 million in cash payments.

The former mayor of the large northern Japanese city of Sendai, Toru Ishii, did not formally plead on Thursday, and he did not say what the money was for, but prosecutors have asserted that it was a bribe to steer lucrative construction contracts to several major contractors.

Mr. Ishii is said to have become so nonchalant about the flow of cash that he reportedly just tossed the envelopes into a cardboard box that he kept handy.

The widening scandal already appears to have had a profound impact on the Japanese public, seemingly confirming long-held suspicions that the country's lush public works budgets were a means for lining the pockets of influential politicians and turning construction companies into lavish political contributors.

It has also influenced Japan's relations with the United States. The government of Prime Minister Morihiro Hosokawa announced this week that it had agreed to open up the long-closed market for public works projects to foreign contractors. The concession was partly a result, many experts here have said, of the fact that Japanese negotiators could no longer reject assertions that the public works bidding process was riddled with corruption.

In recent weeks, top executives

of nearly every major construction company, men who wielded enormous but quiet influence under the previous Liberal Democratic Party government, have been arrested in gaudy media events. Last week prosecutors made a spectacle of one search by sending 180 officials to search the offices of the Kajima Corp. before carting off several truckloads of documents.

So far, two mayors and the governors of two prefectures have been arrested, along with the construction company executives. But most people here are wondering when the ax will fall on the national parliament, which is where the prosecutors appear to be inexorably heading and where they could do the most damage.

After all, all these cases are believed to have originated with the arrest earlier this year on tax evasion charges of Shin Kanemaru, a

former deputy prime minister and a conservative power broker in the parliament for years.

If important political leaders there are arrested, the scandal could affect not only careers but also the shape of Japanese politics. The Liberal Democratic Party fell from power this summer after 38 years, but it remains the single largest party in the parliament.

The arrest of some of its leaders on bribery charges could extinguish any hopes it has of regaining control of the government anytime soon, experts here say.

In addition, several influential members of the new coalition government of Prime Minister Hosokawa defected from the Liberal Democratic Party just a few months ago and are known for having been close to Mr. Kanemaru and the construction industry.

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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Nuclear Fever in Ukraine

Warren Christopher has been in Ukraine trying to persuade the former Soviet republic to respect its brave no-nuclear-weapons pledges of 1992. It's tough going. Ukraine is now, big and bristling with nationalistic pride. It is in the strategic shadow of a nuclear giant, Russia, which somewhat resents Ukrainian nationhood.

World. It needs time and practice, but it is under heavy pressure from the United States, Russia and others to make irreversible nuclear policy decisions, and to make them quickly.

The Bush administration talked tough, conditioning offers of economic and other support on prior yielding up of nuclear arms and options. The Clinton team has taken a more expansive view, offering less-conditioned support as up-front encouragement for Ukrainian nuclear responsibility.

From an American standpoint, it is vital to keep the pressure on. Not to is to tempt Ukraine to slide into a nuclear status quo, thus raising a risk of nuclear confrontation in a whole new corner of the world. It also makes sense to test further the policy of offering Ukraine semi-advance payments on nonproliferation.

But so is the Russian role. Moscow sometimes conveys an attitude that Ukraine is an unwarranted and impermanent state. This provokes Ukrainian nationalists to fresh surges of nuclear possessiveness.

Watch the Credit Reports

The term "cyberspace" refers to the computer network that now blankets the globe, through which information moves at the speed of light. Among the most coveted data in cyberspace are the files that credit-reporting companies keep on 170 million people in the United States alone.

mission receives about 9,000 complaints about credit reports per year. That puts the credit industry first on the complaints list, ahead of car dealers and debt collectors.

The industry disputes those numbers, and contends that the actual rate of errors is far smaller. In either case the number of errors is minimal, given that a half-billion reports are issued each year.

Congress is considering two proposals for updating the act, one each in the House and Senate. The House bill is stronger. It grants consumers the right to a free report once a year, or when an error is discovered; requires credit reporting companies to offer toll-free numbers and to correct errors within 30 days; prohibits employers from snooping in credit files without a job applicant's permission; forbids credit bureaus to sell or use credit reports for direct marketing purposes; and permits the states to pursue stiffer regulations if the federal law is not deemed adequate.

The industry has already taken steps to speed up error correction, and contends that some of the bill's provisions will undermine business. But the companies have yet to make their case. Canadians get free credit reports; the notion that this would be too costly in the U.S. does not make sense.

Dealing with local laws is a normal part of doing business across state lines. If the industry can prove irreparable damage, perhaps some adjustments are in order. Otherwise Congress should move quickly on the House version of the bill.

The American credit-reporting industry is dominated by three companies: TRW, Equifax Inc. and the Trans Union Corp. Their data come from public records, from creditors like banks and retailers, and from independent data collectors. When consumers advocate talk about reform, they invariably mention Norwich, Vermont, a village where TRW once threatened the credit rating of every taxpayer in town—the result of erroneous information entered into credit histories. Norwich is, so far, the only error of this magnitude. But the Federal Trade Com-

The Choices on Health

Bill Clinton has converted his health care plan to a bill and sent it to Congress. The 1,342 pages of legislative language hardly make the subject simpler. It remains an elaborate answer to just two basic questions that push in opposite directions. One is how to extend basic coverage to the seventh of the population that at any one time is uninsured — and by the way, what is basic coverage? Should it be a Chevy or a Cadillac? The second question is how to pay for the coverage and at the same time restrain the rate of rise of national health care costs, which now eat up about \$1 of every \$7 that Americans spend.

health care system by another name. He would begin by providing generous universal coverage. If they would go slower, and not guarantee it, if at all, until it was clearer that the money was available. He would finance it largely through an employer mandate — a premium that every employer would have to pay for every employee but that would be paid off-budget; it would not be a part of the federal accounts. They do not like the mandate idea, but do not like most of the other money-raising proposals, either.

The answers to these two questions drive most else. There is now an array of such answers before Congress. They vary mainly according to how large (or open) a role they assign to government. On the one hand, there is pressure to minimize the government role. On the other hand, there is doubt that coverage will ever be universal unless contained within the government interventions.

He would raise a lot of money through an elaborate system of cost containment about which they are also skeptical. In the first instance, he would rely on structured competition among providers to hold down costs and make the health care dollar go further. The competitive structure would be backed up by a national health care budget and what would amount to spending caps. He thinks he can save enough through cost containment to avoid a major tax increase. The idea is that projected Medicare and Medicaid costs would fall enough to pay most of the extra federal cost.

At one extreme in Congress is the so-called single-payer plan — you might call it Medicare for the entire population — in which the government would raise, through taxes, enough money to pay for basic care for everyone. At the other end of the spectrum are plans that mostly tinker with the present system. Mainly backed by conservative Republicans, these tend to involve such steps as tax subsidies to help the poor buy more insurance, paid for in part by cuts in Medicare and Medicaid, and some insurance market reform to make it easier for those who find it hard to get insurance now. The conservatives make the usual point that the system is not all that broke and does not need all the fixing the Democrats propose.

Others think this is pie in the sky, and maybe it is. That is one of the judgments the next few months of hearings should help us all make. If it is thought that he is wrong, there will have to be either a larger tax or something less than the universal coverage or level of benefits he proposes. There is a fundamental judgment to be made, as well, as to the efficacy of various cost containment devices. But Mr. Clinton has already performed a huge service and achieved a great advance that should not go unobserved as the debate begins. The health care system cannot be allowed to go on gobbling dollars while bypassing as large a share of the population as it has. Mr. Clinton with his proposal has not only acknowledged that himself but has forced the country to acknowledge it. He has taken the risk of making something happen.

In between are the president's plan and a number offered by moderates of both parties. His tends to be somewhat more statist than theirs. To a large extent, what you find this New Democrat doing is federalizing the



Clinton's Foreign Policy Glosses Over Hard Reality

By William Pfaff

WASHINGTON — The Clinton administration's foreign policy problem is not that a plan is lacking but that its plan rests upon a misconception of reality. The plan is to "enlarge" the space occupied by democracy in the contemporary world. This rests upon an unrealistic assumption about the significance of events since the fall of communism and a confidence in the United States "nation-building" capacities that developments in Somalia and Haiti have again shown to be unwarranted.

The American and Canadian forces blocked from landing in Haiti in mid-October were meant to "professionalize" army and police in that country, turning them into depoliticized agencies of democratic government. This was framed as a six-month assignment. In Somalia, the U.S. Army Rangers' now abandoned assignment was to "arrest" the man identified as the obstacle to democratic development in that country.

have taken place in South Africa will result in a lastingly democratic society remains to be seen.

A totalitarian form of nationalism has taken the place of communism in Serbia and Croatia, and quite possibly will emerge elsewhere in southeastern Europe and the former Soviet Union. We do not yet know whether Boris Yeltsin will install lasting democratic institutions.

China successfully combines a form of market economics with despotic or arbitrary government — as did Augusto Pinochet's Chile, Brazil and South Korea under military rule, apartheid South Africa and Taiwan under Kuomintang rule, and as Singapore does today. We have recently been told by several Asian governments that Asians prefer it that way. And the United States' partner in the prospective North American Free Trade Area, Mexico, has not admitted a serious challenge to its ruling party since 1929.

Bill Clinton has appointed two men experienced in foreign affairs to his principal foreign policy posts: Warren Christopher as secretary of state and Anthony Lake as national security adviser. Both are experienced staff officers; neither has demonstrated original thought or policy vision. They are to this administration what Dean Rusk was to the Johnson administration, which is not a comforting reflection. Mr. Rusk uncompromisingly carried out a misconceived American policy on Vietnam, never questioning that it might be mistaken.

None of this is intellectually serious. There certainly has been a turn toward Western political and economic ideas after communism's collapse, since market economics provides the only surviving model for industrial society. But to see democracy as necessary to markets, and the two together as an irresistible force in contemporary politics, is to ignore the role of power and greed in history, as well as the immense barriers that exist to transnational transfers of social assumptions and institutions.

It is characteristic of Americans to believe in general theories of historical progress, leading toward the democracy that Americans already enjoy. This belief, perhaps, has been made the basis for the country's foreign policy, more often than not with disappointing results.

The supposed realpolitik that led Henry Kissinger and Richard Nixon to support military dictatorships in Greece, Vietnam, Cambodia and much of Latin America is repellent to this Administration, as it was to the Carter administration. However, one can reject a cynical policy and still make unsentimental judgments on how and why governments and people behave.

President Clinton's people, like Mr. Rusk, believe in a kind of omnino theory. Mr. Rusk believed communism to be a unitary and expanding world force. The Clinton people believe that interlinked democracy and market economies are steadily enlarging their sway not only over the former Communist countries but in Africa, Asia and Latin America as well.

Africa has seen ostensibly democratic reforms, leading to free elections in some countries. It has in recent days and weeks seen elected governments overthrown by military coups in Burundi and Nigeria, attempted coups in Sierra Leone and Chad, sham elections in Togo and Cameroon, and stubborn defiance of democracy from America's former client in Zaire, "Marshal" Mobutu Sese Seko. The UNITA movement in Angola, formerly sponsored by the United States, now is fighting democracy there.

This is a serious concern, because if President Clinton's people take the world as other than it is, failure is inevitable, whatever the administration's good intentions.

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Cheer Up, Europeans: A World Role Awaits You

By Jusuf Wanandi

BRUSSELS — The pessimism that grips much of Western Europe is striking for a visitor from East Asia, where growth is fast and optimism abounds.

There is an evident willingness to reform the overregulated economies of Western Europe and reduce the high burden of social security, although it is not clear whether political leadership will be strong enough to push through the needed changes. The application of the Maastricht

There is an evident willingness to reform the overregulated economies of Western Europe and reduce the high burden of social security, although it is not clear whether political leadership will be strong enough to push through the needed changes. The application of the Maastricht

treaty needs adjustment, Europe must have a new vision. Instead of being a grand orchestra conducted by Brussels, perhaps it should become a chamber orchestra in which there is harmony without a strong conductor.

The European Community's single market provides a strong base for the future. That base will become even stronger when more members of the European Free Trade Association join the Community, followed by successful East European countries.

You Can Take Heart From U.S. History

By Stuart E. Eizenstat

The writer is U.S. ambassador to the European Community.

BRUSSELS — As an extraordinary meeting in Brussels this week commemorates the Maastricht treaty creating a more integrated union for its 12 member nations, the mood is pessimistic, not celebratory. With recession, Bosnia and the tortuous path to ratification of Maastricht, this year has taken a psychological toll on Europe's leaders and peoples.

Even after the constitution established a stronger federal government to replace this inefficient system, substantial power was retained by the states through the 10th Amendment — a version of the "subsidiarity" issue with which the Community is struggling to give member nations greater freedom to act.

Community and its members will determine the organizational structures that best meet their needs. But if the United States had such difficulties in institution building with former colonies, it is all the more to be expected with sovereign nations.

Europe's policy on Bosnia has failed, but recognition of that can be a starting point for a solution. Through NATO or the Community, a viable European program for balancing the fighting and ethnic "cleansing" in the former Yugoslavia must be found. Otherwise there is a risk that ethnic and religious conflict will spread to other parts of Eastern Europe and the former Soviet Union.

Nevertheless, both a look at American history and a review of what has been accomplished on the Continent since the 1957 Treaty of Rome give reason for confidence in the future. Institution building is always a complex process, even more so because the European Community is unlike anything in world history.

One of the great experiments ever undertaken by democratic governments, the Community is not a regional organization like the Organization of American States, a purely economic entity like the General Agreement on Tariffs and Trade, or an international organization like the United Nations.

The 20-year charter of the First Central Bank of the United States lapsed in 1811 under pressure from states. As much of the currency became valueless, Congress established the Second Bank in 1816, but Andrew Jackson vetoed renewal of its charter. Not until 30 years later during the Civil War were national banks created along with a safe, uniform currency. Even then, with no power to regulate the money supply, there were four financial panics from 1873 to 1907 that dwarf the problems faced this summer in the European Monetary System.

The EC Commission is competent in trade, allocation of aid to underdeveloped regions and member states, antitrust policy and harmonization of national laws and regulations. It has been blessed with visionary leaders like Jacques Delors, and embodies the best impulses in Europe — for liberalized markets, social justice and human rights.

Such a role will be welcomed in Asia, where European trade, investment, technology and skills are needed. A stronger European presence would balance Japanese and American activities in the region. It would also help to ensure that open international trade continues.

Neither is it a classical nation-state. It is a sui generis supranational organization in which nation-states have pooled sovereignty in many areas while retaining it in others. There are no precedents for what is being attempted in the Community — and achieved.

EC concern about the timetable for creation of a central bank and a common currency parallels U.S. difficulties in developing the sinews of a central financial system in the republic's early years. Alexander Hamilton and Thomas Jefferson sharply disagreed over whether to have a central bank at all.

The EC Council brings ministers together for regular consultations on virtually every conceivable issue. It has developed a unique depth and breadth of cooperation.

The European Parliament receives expanded authority from Maastricht. Its special significance as the Community's one democratically chosen institution will be reinforced by Europe-wide elections next June, which are of increasing importance.

Maastricht is designed to further the integration process by leading to economic and monetary union, including a common currency and central bank by 1999, a common foreign and security policy, and joint action in areas of justice and social policy heretofore solely within the province of the member nations.

One should not minimize the difficulties of achieving these ambitions. But American history affords an encouraging context to counter Euro-pessimists about an integration process that the United States has supported since the inception of the Community.

The Federal Reserve System was not created until 1913 — 124 years after adoption of the constitution. Still, the suspicion of a central bank remained so strong that Congress established reserve banks in each district in the country.

The EC Council brings ministers together for regular consultations on virtually every conceivable issue. It has developed a unique depth and breadth of cooperation.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: Zola Denounced

LONDON — In a discussion at the Truro Diocesan Conference on social purity, Bishop Gott said he was grieved to see that the bookstalls at the railway stations, which had been under the pious management of that good man W. H. Smith, had sold Zola's books since his death. He thought something should be done to have those books removed.

1918: Austria Capitulates

PARIS — Austria has sued for peace. An official dispatch announces that Count Andriassy, Austro-Hungarian Minister for Foreign Affairs, yesterday [Oct. 28] charged the Austro-Hungarian Minister in Stockholm to ask the Swedish Government to transmit the following Note to the Government of the United States: "In reply to President Wilson's Note of the 18th of this month... The Austro-Hungarian Government declares it is ready, without awaiting the result of other negotiations, to enter

Hard-Won, Not to Be Forgotten

By Flora Lewis

PARIS — Memories of the fierce, sometimes bloody fights to improve the conditions of labor in the 1920s and '30s linger insistently. In France, there was the Popular Front and the struggle for a five-day workweek and a paid vacation. In the United States, the symbol became Kentucky's Harlan County (oddly, the name of the U.S. ship recently driven away from Haiti by armed thugs) and the coal miners' struggle to organize. Industrial countries went through intense strains to fashion the network of agreements, legal guarantees, security payments which transformed jungle capitalism into modern economies. The French speak of *acquis sociaux*, for which there is no obvious translation, but everybody understands that there were hard-won gains.

The dilemma for industrial countries is that the way these economies now function, the recognition needed to improve productivity and competitiveness seems to be incompatible with full employment. It is ironic that the idea of a four-day week is now being proposed not so much to make life more decent for workers as to spread the chance of having a job at all.

But defense of the "acquis social," by whatever name, is leading to pressures for protectionism in the world market and charges of "social dumping" in the European Community's single market. It is the major urge behind American labor's opposition to the North Atlantic Free Trade Agreement, and behind the demand for an EC "social charter" that would limit the advantages of industrialists in countries with low costs of labor.

The fringe costs of the welfare state are considerable. In France, for example, benefits and social taxes can add 50 percent to what is actually paid an employee in wages, a reason why, instead of hiring, employers prefer to resort to overtime and temporary workers. France has 11.2 percent unemployment, and the prospects are that the intolerable rate will go up.

In all the advanced countries, firms are trying to reduce the work force to stay profitable, and workers fear that they will fall victim to exploitation not just from their own bosses but from those in developing countries which never went through the fight to establish labor rights and social security.

The Marxist illusion that state ownership and central planning can provide the remedy is no longer available. In democratic states, ownership does give extra clout to unions which can use political as well as social power to enforce demands. It is why the French government forced Air France to give in to strikers last weekend. But it aggravates the economy's ailments.

President François Mitterrand, a Socialist cohabiting with a conservative government, said correctly that all the classical prescriptions for confronting unemployment have failed — that is, both his and his opponents'.

The temptation then is to turn to economic nationalism, spending arguments that free trade and GATT are pernicious, inhuman ploys to sharpen the claws of the market monster. Prosperity built up expectations that the nation-state is told to defend.

It was prosperity, nourished by that great postwar expansion of trade, that made possible the construction of the welfare state. The welfare state is in danger now, not from more trade but from the pains of profound industrial change similar to those which provoked the demands and the forces that created the acquis social.

Blocking trade would increase the pains, and the probability that economic nationalism would soon turn into political and militant nationalism. That is the worst danger.

But it can also be argued that the acquis social in industrial countries was the basis for prosperity, providing income and purchasing power to keep the machine burning. Germany's strength was built on its "social market" economy, although Helmut Kohl now sees it as a handicap.

This is one of those hard cases where no short-term answer is good. The capital-intensive, labor-saving evolution of industry is unavoidable, and necessary to meet the challenge of newly industrializing countries. A shorter workweek means lower incomes, at least until the transformation brings substantial new growth. But spreading the work also reduces the tremendous costs of unemployment benefits and lost taxes.

Any alternative to compromise, both promoting trade and sustaining the effort for social justice, is worse than the current disease. Memories of what it took to get this far remain of crucial import.

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OPINION

Here's a Better Road for Turkey to Travel

By William Safire

WASHINGTON — She is intelligent, personable and articulate. Turkey's new prime minister, Tansu Ciller, an economist...

advisers did not express irritation at being presented with a big bill for continued parking in Turkish airports. That is because Turkey is the secular Muslim nation that stands in contrast to Iran's fanatic fundamentalism...

Washington is about a resurgence of Moscow imperialism. Underlying Mrs. Ciller's programmed pleas for appeasement...

mined: "There will be no more coups in Turkey." Let's hope not, but as Kurds and their supporters see it, Ankara's military has already taken control...

Strange, how this ancient, homeless Kurdish people — 20 million in a half-dozen countries — is again at the nexus of geopolitics. The Turks worry that if the Iraqi Kurds build a democratic state...

Wrong, if Mrs. Ciller reverses course and helps Iraqi Kurds achieve prosperous autonomy — and by so doing encourages their ethnic brethren to be loyal Kurdish Turks — the first female Turkish prime minister will be remembered not as a clumsy ally-for-sale...

The New York Times

Prime Minister Tansu Ciller wants to do business with Saddam.

pipeline to Iraq, part of the world's sanctions on Saddam Hussein, is costing Turkey billions. Mrs. Ciller wants the United States, as the chief Desert Stormer, to arrange to recompense Turkey for this cost.

Otherwise — and here's the zinger that shows how little this Turkish government understands alliances — Turkey might not extend its agreement to permit its airfields and supply routes to be used to protect and feed Iraqi Kurds in Operation Provide Comfort.

Although not presented as a quid pro quo, the point was blunt: Pay us the money, and we let you keep on preventing Saddam Hussein from slaughtering the Kurds...

That goes beyond realpolitik to real blackmail. But an ally whose cooperation is for sale is available for alliance to a higher bidder, and other nations know that. Relationships that rely on immediate mutual back-scratching never become "special."

In her hard sell, the prime minister went further. Saddam, she told one and all, is growing more popular in Iraq day by day. The sanctions are not working. She wants to do business with him, and never mind the regional threat.

President Bill Clinton and his

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Russia and the West

Regarding "Cause to Wonder About Western Arms in Russia" (Letters, Oct. 27):

I strongly object to both the tone and the content of Victor A. Kremenynk's letter about Western intentions toward Russia. It is absurd to compare Western support for President Boris Yeltsin during the recent crisis in Moscow to a situation in which a Russian leader might support an American president during a debate in Congress on a U.S. domestic program.

Congress would never attempt to encourage people to take up arms against the president. If the Russian legislators had had a bigger success in their attempt to do exactly that, the West might have faced a grave threat to its security — a Russian civil war.

As to the comment that "after several years of turmoil and suffering," more and more Russians are concluding that the West is to blame for Russia's economic and political weakness. Mr. Kremenynk buys the paranoid fantasy that we in the West have it in for the Russians. He also implies that it was the West that put Russia into its present

strait, and not Soviet-era planning. In other words, while it is convenient to blame shadowy figures in Washington, London and Paris, the answer is much closer to home. Mr. Kremenynk does his compatriots a great disservice by spreading conspiracy theories.

CHRISTOPHER J. HUGHES, Bergen, Norway.

Mr. Kremenynk should be made aware that Western lending institutions have a penchant for attaching a myriad of bizarre conditions to their loans. We in the West suffer the same fate. The writer also needs to understand that Western foreign policy is driven by economic imperatives and that we have nothing to gain by a permanently weak, deindustrialized and dysfunctional Russia. That would only make it a lousy trading partner. The only weakness we are hoping for is that of the once mighty military machine.

ADAM EDWARDS, Brussels.

Power's Sentence

Regarding "A Protester's Fate" (Letters, Oct. 20) by Jonathan Grudin: Living in the United States,

Katherine Ann Power had ample means for protesting the Vietnam War without resorting to the violence that resulted in the loss of the life of a policeman. (Mr. Grudin wrote that "sympathy for the officer's family is fine," but that perhaps Ms. Power's "desperate act brought the war to a close a little earlier.") Ms. Power chose violence to protest violence, and for that measure of hypocrisy and brutality she deserved a prison sentence.

BART SCALZI, Poughkeepsie, New York.

Balladur and GATT

In response to "Balladur's GATT Gamble: Error or Cold Calculation?" (Opinion, Oct. 19):

As I see it, Prime Minister Edouard Balladur is trying to make good on the extravagant electoral promises to the farmers made by his party's leader and presidential candidate, Jacques Chirac. In so doing, Mr. Balladur is putting at risk the future of France and 94 percent of its working population just to placate the 6 percent represented by agriculture.

DAVID LIEBERMAN, Paris.



Public Policy Think Tank at Reagan Library

There's a Conspiracy Against Reagan's Shop

By Joe Queenan

TARRYTOWN, New York — From the moment I reached the Ronald Reagan Presidential Library in Simi Valley, California, I sensed that something was terribly wrong. The museum, which opened to the public in November 1991, is ensconced in an eerily

ramblings of a deposed Communist's dowdily attired wife, I suddenly realized precisely what was wrong with this institution.

It was being run by Democrats. The more I thought about it, the more I realized that the museum's awesome torpor could not be a mere accident. No, somehow the Democratic Party had hatched a Machiavellian plot to take all the luster off the Seven Fat Years of Ronald Reagan's presidency by quietly subverting the president's living memorial.

MEANWHILE

apocalyptic setting, gazing out at sun-baked, unpopulated, Kurdistan hills — an arid inappropriate home for a museum dedicated to the president who gave us the fat, lush, opulent '80s.

The setting was somehow too somber, too minimal, too joyless for a Republican president. This was the kind of setting one associated with Mike Dukakis. My sense of disorientation continued when I entered. Although the museum boasts 50 million pages of documents, 1.5 million still photographs and more than 75,000 gifts, the permanent exhibition is actually quite cheery.

A routine exhibition of artifacts from Mr. Reagan's life is topped off by a room filled with memorabilia from each of America's 42 presidents. But what a piddling collection!

A replica of Calvin Coolidge's bathtub. A letter from FDR to some guy from the New York State Automotive Association, thanking him for a telegram sent while he was still governor. A letter from Dwight D. Eisenhower — six years after he left office — thanking one Richard Fasset of Easton, Pennsylvania, for a pair of expensed leather cases he had mailed to Ike and Mamie. Why, autographed materials are inconsequential as these were probably worth less than the frames that held them.

It was not until I visited the gift shop that I realized precisely what was wrong with this sad little museum. As soon as I entered the room, my eyes settled upon a table stacked high with T-shirts being sold at half price.

My gaze then traveled to a pile of bland coffee-table books entitled "The Living White House" that were also being sold at deep discount. During an interminable wait in the checkout line while a dithering cashier turned a routine sale into epic adventure, I spied a hardback book called "Raisa: I Hope" that was being sold for a dollar. A dollar!

Incredulous that a museum dedicated to a man whose name was synonymous with upmarket glamour and success would be wasting valuable retail space on the addled

Yes, it all added up now. Only a museum that had been infiltrated by Democrats would prominently display a photograph of Ronald Reagan chatting with Margaret Thatcher while wearing a plaid suit that looked like a Holiday Inn sofa slipcover.

Only a museum subverted by Democrats would stack mountains of Mikhail Gorbachev's deadly yawner, "The August Coup: The Truth and The Lessons," right beside the gift shop cash register. Only a museum taken over by Democrats would have hired such a colorless staff, instead of cheerful, bubbly Republicans.

What really convinced me that a Democratic coup had taken place was the video playing on a television set in a corner of the gift shop. There, in the very epicenter of a cultural institution dedicated to the man who had single-handedly brought pizzazz and oomph back into American life, was the image of Jimmy Carter, mouthing bad jokes during the opening ceremony for the museum back in November 1991, while Nancy Reagan looked on frowning.

As I stood there, staring at the horrifying image of the man who had given Americans 21 percent interest rates, massive unemployment, the Iran hostage crisis, the malaise speech and the killer bunny, I realized that Ronald Reagan's revolution was irrevocably over. All memory of it was rapidly being expunged, and Republicans never even know what hit them.

Poor Gipper. The Washington Post.

LETTERS TO THE EDITOR

BOOKS

WHAT THEY'RE READING

Jan Morris, the Welsh travel writer, is rereading "Good Behavior" by Mollie Keane. "I have enjoyed it just as much this time round as on my two previous readings. I think it is truly one of the great English-language novels of the 20th century — marvelous black comedy, but also a tragic account of human disintegration."



(Michael Butler, IHT)

draws on more sources than any other jazz book ever written.

More than Tucker, Hasse makes a point of quoting from a range of African-American periodicals, so that the reader has a broader-than-usual sense of how black audiences responded to Ellington's music. But, for all of Hasse's resources and strengths as a data gatherer, he falls short when it comes to rendering the life and interpreting the music. At a certain point the reader who already knows the territory loses confidence in Hasse as a guide.

To be fair, Hasse's task as Ellington's biographer was Herculean. He had to chart and evaluate the music of a man who recorded important music in six of the century's decades and who composed more than 2,000 works — including a suite for Queen Elizabeth; portraits; and tone poems; dance music for shows at the Kentucky Club (where between acts he worked the floor with a rolling upright piano) and the Cotton Club (Ellington scholar Pat Willard observed that all of Ellington's music was accessible — it had what Ellington liked to call a "terpsichorean urge"); and movie and television scores.

In his effort to encompass all of this activity — virtually none of it frivolous or merely commercial — Hasse does not want to make the mistake of isolating the music from its social setting. Indeed, the book at its most interesting is a report on the complex economics of running the Ellington organization. Suffice it to say that the book usually was not paid very well. Race prejudice meant, for example, that unlike white band-leaders, Ellington never could get a radio sponsor or a television spot of his own. In 1965, when the Pulitzer board voted down a committee recommendation to give Ellington a special award in compensation (a vote which caused some board members to resign), Ellington responded in this way: "I never do give any thought to prizes. I work and I write. And that's it. My reward is hearing what I've done, and unlike most composers, I can hear it immediately. That's why I keep these expensive gentlemen with me."

Hasse takes Duke's story, which begs to be framed as an epic, and bends it into a sociological plot, a conventionally "amazing" story of a victim who somehow proved himself an exceptional Negro, a "genius" who was "beyond category."

These are immensely valuable books from which many others can flow. But Hasse's useful not for its interpretations of the man or of the music, but for its unprecedented collection of material. Therein — along with Tucker's excellent miscellany of works, excellently introduced — lies the gold mine and the challenge for the next work on Ellington — the truly comprehensive Ellington biography, which, alas, we still must await.

Robert G. O'Meally, the author of "Lady Day: The Many Faces of Billie Holiday," wrote this for The Washington Post.

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BEYOND CATEGORY: The Life and Genius of Duke Ellington

By John Edward Hasse. 479 pages. \$25. Simon & Schuster.

THE DUKE ELLINGTON READER

Edited by Mark Tucker. 536 pages. \$30. Oxford.

Reviewed by Robert G. O'Meally

WHAT do we talk about when we talk about jazz? And which jazz artists it is absolutely necessary to talk about? Critics, historians, even novelists, from F. Scott Fitzgerald to Ralph Ellison to Toni Morrison, have puzzled over how to appraise one of our country's astonishing creations. In this national discussion, no figure has received more attention than Duke Ellington. Rightly so. Duke Ellington, born in Washington, D. C., in 1899 at the verge of the new century, was not just the creator of such hits as "Sophisticated Lady," "Don't Get Around Much Anymore," and "Mood Indigo," but his rich arrangements of these pieces and many, many others established him as a composer of the first degree, perhaps America's premier composer.

The two newest entries in the field — "Beyond Category" by John Edward Hasse, curator of American Music at the Smithsonian Institution, and "The Duke Ellington Reader," edited by Mark Tucker, associate professor of music at Columbia University and author of "Duke Ellington: The Early Years" — are by far the most exhaustive works on this jazz master. The modern age of Ellington criticism was presaged by the 1946 publication of Barry Ulanov's masterful "Duke Ellington," which drew on interviews with Duke and his band members. A sea change in Ellington studies came in 1986, when Mercer Ellington donated his father's

scores, scrapbooks, records, tapes, and memorabilia to the Smithsonian. The pearl in this trove was the massive file of music — some in Duke's own ornate, artistic handwriting, some in that of his frequent co-composer, Billy Strayhorn.

Now, as Hasse's and Tucker's works emphasize, it was obvious that Ellington's music was scored with care — all the parts written out note by note. The exceptions were the piano part — Duke's own — and the drummer's, for Ellington wanted the drummer to work out his own part as a work developed. Perhaps Ellington's greatest technical achievement was to balance his precise, tightly composed music with the impulse to improvise. With his famous Dukish smile, slightly mocking as well as flirtatious, he made it seem as if he and the band were making it all up on the spot. In fact, many solos that the public always assumed were improvised were painstakingly devised by Duke himself.

As the scores make clear, the Ellington players were often invited to be collaborators in a newly invented piece — at times their parts would tell them no more than "Get in the alley!" or "Play the blues."

This kind of shorthand was possible in a band where players played for years. Some stayed for decades; the great banjoist saxophonist Harry Carney was with Ellington from 1926 until the maestro's death in 1974. Ellington scores were never addressed abstractly to the First

Trombone or the Second Alto Saxophone but, like personal letters, they were marked "Tricky" (Joseph "Tricky Sam" Nanton) or "Rab" (Johnny Hodges, whose nickname was "Rabbit"), and were tailored for the specific players addressed. "You can't write music right," Duke once said, "unless you know how the man that'll play it plays poker."

Mark Tucker's "Duke Ellington Reader" stands, with Albert Murray's "Stomping the Blues," as one of the best teaching tools jazz has ever had. The editor makes the wise decision to take a step back and give center-stage to Ellington. Drawing on Ulanov's leads, his own research, and above all the Smithsonian files, Tucker presents a score of Ellington's own articles along with interviews and profiles. Tucker's collection features the full version of "The Hot Bach," Richard B. Boyer's 1944 New Yorker profile — virtually a novella in which Duke appears not just as a daunting genius but as a complex one.

"The Reader" also includes an array of the greatest hits of Ellington criticism — essential pieces by Murray, Ellison and Stanley Crouch along with many other useful articles showing the progression from snapshots to analytical and typical treatments. Through it all we are aware of the campaign to move Duke's work from "stint" to its rightful place as "serious music" (that most loaded of terms). Hasse's "Beyond Category"

BRIDGE

By Alan Truscott An astonishing victory emerged from the Royal Viking Instant Matchpoint game, which was organized by the American Contract Bridge League and played in clubs throughout North America.

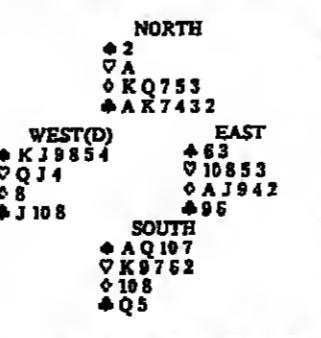
The winners, playing at the Windfield Hall Club in Westchester, Pennsylvania, were Carol Segal, who has 20 master points, and Susan Strauss, who has none at all and does not belong to the national group. They scored almost 75 percent in the North-South line, and are surely the least experienced pair ever to win on such an occasion. The East-West winners, with 73 percent, were Bill Cook and Annette McHann of Jackson, Mississippi.

On the diagrammed deal, North normally overcalled the weak two-spade opening with four no-trump, showing both minor suits. If South guessed to bid five clubs rather than five diamonds the play was tricky. If West led his singleton diamond to the queen and ace, East had to return a spade, resisting the temptation to give his partner a ruff.

South could then win in his hand and lead the diamond ten, tempting West to ruff. He had to throw a heart, not a spade, so that he could throw another heart if South won the diamond king and ruffed a diamond with the club queen. With that defense South failed.

That suggests that South was wrong to bid five clubs. Holding strength in both major suits, he would have made a good gamble if he had surprised his partner by passing four no-trump. That contract is unbeatable, for after a

spade lead, won with the ace, North can unblock the heart ace and lead the diamond king to establish 10 tricks.



North and South were vulnerable. The bidding: West 2♣, North 4NT, East 5♣, South 4♠, North 5♠, East 5♠, South 6♠. West leads the diamond six. West leads the diamond six.

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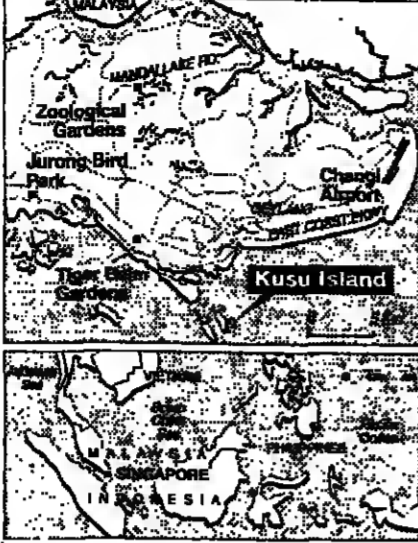
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A Pilgrimage From Singapore

By Lauren H. Otis

SINGAPORE — During the ninth lunar month of the year — Oct. 15 through Nov. 14 this year — two places of worship on Kusu, a small island three and a half miles southwest of central Singapore, become a magnet for thousands of Malay and Chinese pilgrims.

According to legend, many centuries ago two holy men, a Malay and a Chinese, were caught in a storm off Singapore. As their boat was about to founder, a giant sea turtle appeared and, bearing them on its back, rescued the holy men by transforming itself into an island. Kusu, which means tortoise in Chinese and is known as Pulau Tembakul in Malay, is reputed to be the actual "corpse" of that original sea turtle, and has achieved holy status in both Chinese and Malay cultures as a place of good fortune. Over time, the island's reputation has been augmented by additional tales of miraculous rescues and recoveries of shipwrecked sailors, fishermen and other seafarers.



The temple was built with funds donated by a wealthy businessman, Chia Cheng Ho, who visited Kusu Island in 1923.

For a month every autumn, ferry after ferry shuttles an exotic bustle of devotees from Singapore and surrounding nations to the small landing on Kusu Island, from which they bear smoking joss sticks and other gifts to shrines housed in the Chinese temple and Malay mosque.

The ornate Taoist Chinese temple is dedicated to Da Be Gong, the Chinese merchant god, who is imbued with the power to confer prosperity, cure disease, calm the sea and avert danger in general, and to Guan Yin, the goddess of mercy and "giver of sons."

An infectious carnival atmosphere pervades this temple. Among the side shows are sanctuaries filled with scores of live tortoises, a large sea turtle that glides gracefully within the confines of a saltwater pond, and two caged boa constrictors.

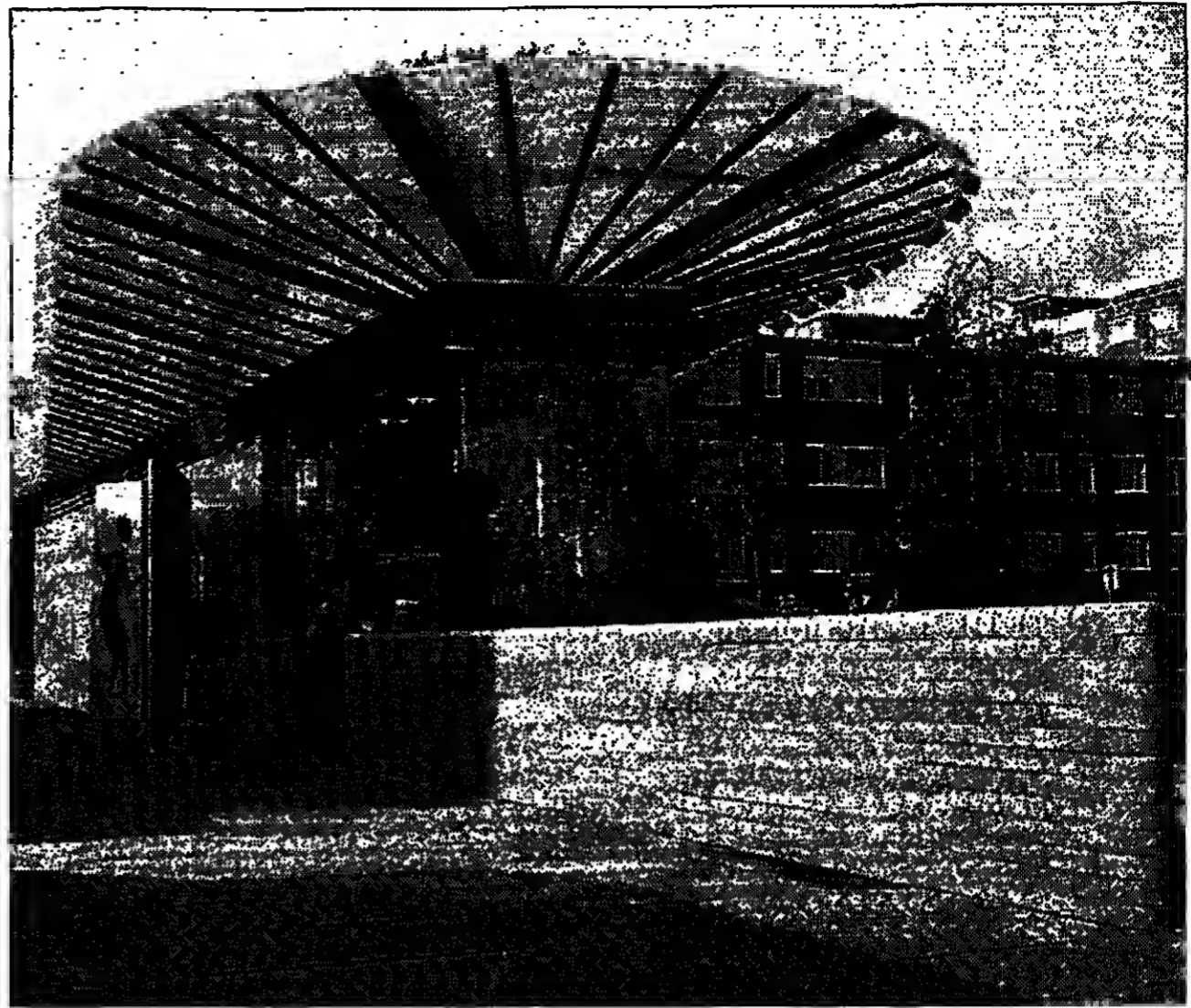
Having made their offerings, the Chinese pilgrims burn prayer books in a flaming oven topped by a chimney in the shape of a

pagoda. By burning the written prayers and turning them to smoke, it is believed that they will be carried rapidly up to the deities and be acknowledged more readily. Devotees typically request five blessings from the two temple deities: longevity, wealth, tranquility, love of virtue and fulfilled destiny.

The Islamic Malay mosque consists of three *kramats*, or holy shrines, nestled among trees at the top of a nearby hill. Lining the winding 152-step climb up to it are trees thick with offerings tied onto them in plastic bags. The *kramats* are dedicated to a pious Arab man, Sahed Abdul Rahman, his mother, Nenek Galib, and his sister, Putri Fatimah. In another of the island legends, it is said that in the 19th century Rahman and his family were caught in a violent storm off Singapore, and their boat capsized. They were saved by a tortoise who brought them to the sanctuaries of Kusu Island. Malay pilgrims to the *kramats* pray for wealth, fertility, a good marriage, health and a life of harmony.

In the temple and mosque interiors, billows of fragrant smoke mix with closely pressed pilgrims, producing a humid atmosphere of devotion. Despite these crowds, the rest of the landscaped island is a serene retreat even at the height of the pilgrimage. The sandy beaches and traditional architecture of the temple and mosque buildings seem worlds apart from the glass towers, hotels and shopping centers of downtown Singapore, a 15-minute ferry ride away.

Lauren H. Otis, a writer and photographer who has traveled throughout Southeast Asia, wrote this for *The New York Times*.



Roderick Conway Morris

Piers Gough's landmark loo in the London neighborhood of Notting Hill, complete with a florist's kiosk.

Victorian Revival, With a Twist

By Roderick Conway Morris
International Herald Tribune

LONDON — What baths were to ancient Rome, public lavatories were to Victorian London — their shining glazed-brick interiors, dazzling enamel and polished brass fittings palpable proof of the triumph of hygiene and urban civilization.

The onslaught of modern-day vandals and the advent of the coin-in-the-slot street lavatory has led to the inexorable decline of the old-style public loo. Many have been demolished, and some turned to other purposes: In one London borough, for example, loos have been converted into offices, an art gallery and even a pizzeria.

Notting Hill, an attractive west-central London neighborhood of neoclassical, white-stucco terraces and leafy squares, lost one of its principal Victorian lavatories 15 years ago, when the underground convenience office in one of its main streets, Westbourne Grove, was filled in and an ugly, "temporary" prefabricated loo put in its place.

After more than a decade of agitating for a suitable permanent replacement, the Pembroke Association, a local residents' conservation group, discovered last year that the Royal Borough of Kensington and Chelsea had finally drawn up some plans.

"You'd have thought that after more than 10 years they would have been enlightened enough to have an architectural competition," said John Scott, the formidable and outspoken 58-year-old Honorary Planning Secretary of the Pembroke Association, whose apartment actually overlooks the triangular traffic island on which the new loo was to be built. "But they didn't. And when I went to see the drawings at the borough engineer's office, the only thing that was said about them was that they were extremely banal."

Despairing of persuading the borough to find a more imaginative alternative, the Pembroke Association, marshaled by Scott (a man with, as even a few muted acquaintances make evident, a passionate distaste for the nondescript and mediocre), resolved to commission an architect of their own, calling on Piers Gough of CZGW, a partnership with a reputation for flamboyant and unusual designs — a singularly unexpected choice for a local conservation organization primarily dedicated to preserving the historic character of the neighborhood.



Notting Hill

Gough's solution was a startling triangular building of glazed, bright-turquoise brick, crowned by a dramatic fan-shaped semitransparent roof (reminiscent of Hector Guimard's Art Nouveau Paris Métro entrances), with the lavatories and attendant's office in the back and a glassed-in florist's kiosk at the front, the whole structure tapering into a sharp, thrusting point.

"So much modern architecture," said Gough, "is anemic and over-cool. We like our buildings to be lush — to be a strong response to their location." The site was obviously crucial in this case in deciding the shape of the building. The fact that it is flanked by neoclassical stucco houses but has a backdrop of postwar public-housing blocks (built to replace houses destroyed

during the Blitz), is addressed by Gough's part archaic, part futuristic design. The use of the glazed brick beloved of Victorian lavatory builders, but in a daring turquoise hue (custom-produced, and dubbed by the makers "Gough Green"), provides a link with the past, while making for an arresting colorful impression (bold enough even to hold its own amid the West Indian Carnival processions that pass by every August).

Both the borough's workday plan and Gough's extravagant won planning approval — the crunch coming when the architect's plan was found to exceed the allowed budget of £190,000 (\$285,000). Scott wrote a personal check for £10,000 the very same day to make up the difference, and he and the Pembroke Association have since raised or provided a further £13,000 to pay for the rescue of an adjoining Victorian drinking fountain, the new loo's splendid external clock, higher-quality fittings, benches, trees and landscaping. As there was no provision in the borough's estimate to employ an architect, Gough's fees had to be paid to him by the building contractors.

This exuberant building cried out for somebody to match its curve and panache in the running of the florist's kiosk — and just such a person appeared in the form of 35-year-old Nikki Tibbles, who had only recently left a career in advertising and design to follow her new calling. Tibbles has created an entrancing shop, overflowing with fascinating foliage and blooms — amaranthus ("love-lies-bleeding"), black roses, bright blue delphiniums, glory and Casablanca lilies, baby pinapples, cabbage plants and kangaroo paw — many of which you would never find in a conventional shop. Orders have been flowing in for weddings and other do's, and regular customers include the Harold Pinter-Antonia Fraser household and Rifat Ozbek.

Known locally as the "superloo," the building is already established in the affections of a very wide variety of local residents, some of whom would normally take a dim view of "modern architecture."

The point is, said Scott, gazing down from his window upon the loo with laudatory pride, "that it makes you look with new eyes not just at it, but at all the other buildings around." And then shooting a penetrating glance at one or two peering, unkempt classical stucco buildings in the terrace across the road, he added: "Who knows, it might even encourage some people to get round to restoring their old buildings properly."

THE MOVIE GUIDE

The Nightmare Before Christmas

Directed by Henry Selick.
U.S.
Disney takes an ambitious turn for the weird with "The Nightmare Before Christmas," an animated musical so twisted that the studio has released it under its adult Touchstone logo — all the easier to differentiate this movie from neoclassics like "Aladdin" and "Beauty and the Beast." Tim Burton's dazzlingly

brilliant "Nightmare" — directed by Henry Selick — is more of a postmodern fractured fable, one he scribbled as a poem-script 10 years ago when he and Selick were working as Disney animators. Kissable cousin to Dr. Seuss's "How the Grinch Stole Christmas," Burton's tale could have been titled "When the Pumpkin King Hijacked Christmas." It follows the misguided efforts by Jack Skellington, who is to Halloween what Santa Claus is to late December, to inject a little excitement into his life after another boring preparation for (right night with the sleazy, slinky denizens of Halloweenown. This is clearly not typical Disney animation fare, though Burton had enough sense to slide into a happy ending. It is a modern classic that enriches the Christmas tradition by turning it on its head and spinning it like a bob. And Jack Skellington is a truly wonderful creation, a spindly, formally attired skeleton who moves with the elegance of Fred Astaire and gets into as much trouble as Beetlejuice.
(Richard Harrington, WP)



"The Nightmare Before Christmas."

drops in on the lives of 22 whiny, inert and mostly unlikable characters drawn from the writings of Raymond Carver, the blue-collar Chekhov. Carver, while certainly no naïf, had sympathy for his characters and a certain amount of faith in their ability to change, at least marginally. But Altman, with few exceptions, allows neither growth nor redemption. The characters don't evolve, they just survive, which is fine when it comes to movies about plane crashes, but deadening in terms of domestic dramas. Perhaps Altman should consider his contribution to the degradation of women on screen. This doesn't stop with gratuitous nudity, but extends to the female characters' slavish devotion to whoever will have them. Name-

ly, a sociopathic makeup artist (Robert Downey Jr.), a psycho pool man (Chris Penn), a womanizing cop (Tim Robbins) and a vengeful baker (Lyle Lovett).
(Rita Kempley, WP)

Huevos de Oro

Directed by Bigas Luna.
Spain.

The opening close-up shot of a cement mixer in action gives the hint that the film is about turbulent, rocky relationships. The focus is on Benito González (Javier Bardem), a quintessential Spanish macho who revels in his *huevos* — literally "eggs," but also an uninhibited word in Spain that expresses sexual prowess and overall authority. His true lust is for money and power, which he plans to achieve by building a tall apartment tower. Benito dotes on these ambitions even while making love and there are lots of steaming love-making scenes. The first woman in Benito's life dumps him for his best friend; the next two he uses ruthlessly and the last one is very much his equal. But the pace moves so quickly that these relationships don't blossom on screen, and one hardly cares when the tough guy inevitably falls on hard times. The film's best scenes are the secondary details, notably John Scott, the formidable and outspoken 58-year-old Honorary Planning Secretary of the Pembroke Association, whose apartment actually overlooks the triangular traffic island on which the new loo was to be built. "But they didn't. And when I went to see the drawings at the borough engineer's office, the only thing that was said about them was that they were extremely banal."

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Short Cuts

Directed by Robert Altman.
U.S.
"Short Cuts" is a cynical, scintillating and shallow work from cinema's premier misanthrope, Robert Altman, who here shows neither compassion for — nor insight into — the human condition. This long, sour and ultimately pointless film allows Altman, the debunker of Hollywood and Nashville, to put the screws to the common folk of Southern California. Basically, Altman's here to tell us that life stinks and there's not a damn thing to be done about it. In so doing, he

despairs of persuading the borough to find a more imaginative alternative, the Pembroke Association, marshaled by Scott (a man with, as even a few muted acquaintances make evident, a passionate distaste for the nondescript and mediocre), resolved to commission an architect of their own, calling on Piers Gough of CZGW, a partnership with a reputation for flamboyant and unusual designs — a singularly unexpected choice for a local conservation organization primarily dedicated to preserving the historic character of the neighborhood.

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L E I S U R E

At Airports, Life in the Slow Lane

By Roger Collis
International Herald Tribune

I HAVE a recurring nightmare of waiting behind two dozen people in the check-in line at a strange airport. My plane is leaving in 20 minutes and, oddly, the line is getting longer as I struggle to move forward. And now the woman at the desk has picked up the phone and the line is not moving at all.

A variation to this is arriving at JFK with planeboards ahead of you for the refugee shuffle at Immigration. Or waiting in limbo at a distant departure gate for your delayed flight while the airline is drip-feeding you disingenuous information on how long you'll be stuck there and why. Good-bye budget meeting. You can't even phone to tell them you won't make it. This is the kind of nightmare where you wake up and it is really happening.

>Welcome to life in the slow lane. Of course, everyone blames everyone else for the terminal misery. Airlines blame airport authorities who blame air-traffic congestion along with government policy and inflexible immigration and customs, not always symbiotic inhabitants in the wide world of the megahub.

Airlines would like us to buy their myth that where service is important is at 30,000 feet over the Atlantic rather than level three in the main concourse. But reality is on the ground. Frequent travelers are asking, "What are you doing to mitigate the misery?"

"Whenever possible, I try to take a regional flight from small airports," says Anthony Sampson, author of "Empires of the Skies." "Airport strain is what's exhausting. Sir William Hildred, the first head of IATA, said that in the early prewar days, the strain of flying was in the flying itself, the airports were wonderfully comfortable. Nowadays it's the other way round. I endorse that completely."

Most flights these days in whatever class you fly are reasonably enjoyable. Would that this were true for quality of life on the ground. Congested terminals, air traffic delays and the need to check in up to two hours early for security controls have made airports a nightmare. Many airport authorities are more concerned with duty-free areas and schlock boutiques that pay them high rents than with providing public amenities such as telecommunications centers, day beds, showers and more civilized eating places.

Savvy travelers think of an airport first and an airline second. One choice often determines the other — especially between major hubs. Try to start from a small user-friendly airport, and select your gateway or connecting airport with care. Traveling from Nice to the United States, I'll probably choose to transit at Schiphol at Amsterdam (the most user-friendly hub in Europe), unless I want to fly to New York direct. (Avoid JFK unless you want to go to New York.) I'm figuring out the best way to get to Delhi next month for an airports conference. My best bet seems to be Air India via Heathrow. But I need to check the connecting time and whether I'll have the use of a business class lounge.

Having the run of an airline lounge is a big factor in dealing with the airport experience. All major airlines have lounges for travelers

The Frequent Traveler

flying first class. Sometimes these are shared among carriers. Far fewer allow their business-class passengers access to the lounge. Some like Cathay Pacific, KLM, Airitalia and Air France only do so at certain airports. Others such as Japan Airlines and Lufthansa require you to be a club member.

Clobs such as these are by "invitation only." To qualify, you must spend a minimum on tickets, or have flown a certain number of miles in a year. In 1967, the Civil Aeronautics Board in the United States decreed that U.S. airlines were obliged to offer a club membership to all comers, although they can charge annual dues. American's Admirals Club, Delta's Crown Room Club and United's Red Carpet Club cost about \$150 a year to join.

"A thing that came through strongly out of research among our top customers was 'cut out the hassle at airports and give us a lounge when we arrive,'" says Mike Batt, British Airways' director of marketing in London. "Our Terminal 4 lounge at Heathrow is run like a hotel. People like to see a difference for the price they have paid."

BA has a hierarchy of lounges, from a wood-paneled sanctuary for Concorde and first class, and Executive Club lounges for frequent fliers to separate lounges for short- and long-haul business-class passengers. Last month BA opened what it says is the first arrivals lounge for first, business and club members at Heathrow's Terminal 4.

Passengers deputed off an overnight flight can shower, have their clothes pressed, eat breakfast and get their act together for the day.

Many airlines offer free helicopter or limo transfer at one end or both ends of the route to first- and business-class folk. Lufthansa offers a helicopter service to Manhattan from JFK; Emirates offers you a limo within a 50-mile (80 kilometer) radius of Gatwick or Manchester, and Virgin gives you a limo from anywhere in mainland Britain to Heathrow. Virgin has just started a motorcycle chauffeur service that will transfer inter-city business class people from central London to Heathrow in less than 30 minutes.

SAS, Air France, Lufthansa, British Airways and Swissair provide a check-in service at certain hotels (SAS also has hotel check-ins at certain Scandinavian airports); and you can check in for your BA flight when you drop your car off at Heathrow. BA staff can check you in if you're late with a palm-top RDT (remote data terminal) if they spot you sweating in the check-in line. Look too for the new ATB (automated ticket and boarding pass), which speeds up check-in and security procedures. It is estimated that the ATB can cut 50 minutes off a 747's turnaround time.

A new way to beat the crowds is the Fast Track lane through immigration and security checks at Heathrow and Gatwick for first- and business-class travelers. You get a special sticker at check-in that allows you access to a completely separate security and passport control channel, along with "dedicated" banking windows and duty-free shopping.

PERHAPS the best idea for smoothing out airport hassles is "INSpass," now being tested by the U.S. Immigration and Naturalization Service at JFK and Newark. The system uses a combination of a "smart" ID card and identification of your palm print.

Instead of waiting in line with the hoi polloi you go to a special channel, insert an INSpass card in a card reader and stick your hand on a hand-geometry scanner. You can then proceed straight to customs.

The INSpass program is open to U.S. citizens plus nationals of 24 countries who travel on business to the States at least three times a year.

The next step will be pre-clearance for "INSpass" before boarding at certain foreign airports. "Marvelous what a handshake will do."

THE ARTS GUIDE

AUSTRALIA

Brisbane Queensland Art Gallery (tel: 8407333). To Dec. 5: "The First Asia-Pacific Triennial of Contemporary Art." This exhibition of about 200 paintings, prints, photographs and pieces of sculpture represents the work of 77 artists from the Asia-Pacific area.

AUSTRIA

Vienna Kunsthistorisches Museum (tel: 531.24.44.91). To Nov. 28: "Richard Garsiel, 1888-1908." Paintings and drawings by Garsiel who, together with Egon Schiele and Oskar Kokoschka, is one of the foremost exponents of Austrian Expressionism. When his love affair with Arnold Schoenberg's wife became known, he committed suicide at age 25.

BELOW

Antwerp Ethnographisch Museum (tel: 231.20.56). To Dec. 31: "The Face of the Spirits: Masks from Zaire." Painted wooden masks representing natural spirits and ancestors that are used in such ceremonies as the initiation of young men, funerals and judgments of thieves.

BRITAIN

Belfast Ulster Museum (tel: 232.381.251). To April 10: "Patrick: Life and Legacy." Celebrates the religious, artistic and cultural heritage of Ireland's patron saint, from the 5th century to the present day.

London Barbican Art Gallery (tel: 071.638.5403). To Dec. 12: "Bill Brandt: Photographs 1928-33." A retrospective of Brandt's work including early photographs from Hungary and Spain, social documentary work in Britain before World War II, as well as landscapes, portraits, studies of nudes and late collages.

Paris Grand Palais (tel: 01.47.13.17.17). To Jan. 5: "Nabe Bonnard, Vuillard, Maurice Denis, Vallotton - 1888-1900." Three hundred works by the group of young artists who exhibited together in the last decade of the 19th century and whose common style was partly derived from Gauguin's flat pattern compositions. Fans, screens, tapestries and illustrated books are included.

Musee National des Arts d'Afrique et d'Océanie (tel: 44.74.84.80). To Jan. 10: "Vallées du Niger." Art from the Niger valley, including pottery, jewelry, statues and textiles.

Paris Centre Georges Pompidou (tel: 44.78.12.33). To Jan. 2: "Georg Baselitz: Drawings 1962-92." More than 40 drawings from which Baselitz developed his painting, sculpture and engraving.

Berlin Martin-Gropius Bau (tel: 254.890). To Dec. 12: "Japan und Europa: 1543-1929." More than 500 Japanese objects of artistic and scientific significance brought together from Japanese and German national collections.

Cologne Antoniter-Kirche (tel: 2.21.2582516). Oct. 30 to Nov. 20: "Refugees in Former Yugoslavia." A photographic study of the peoples from that war-torn country by Charles G. Copic.

Venice Palazzo Grassi (tel: 52.31.680). To Jan. 4: "The Unknown Modigliani." More than 400 drawings that were executed by the Italian artist Amedeo Modigliani between 1906 and 1924, which until now was the most obscure period in his life. The drawings were purchased and collected by Paul Alexandro, who became the painter's closest friend and only patron upon his arrival in Paris in 1906. The exhibition will travel to Europe, Japan, the United States and Mexico until 1996.

National Museum Art Gallery (tel: 3300371). To Dec. 5: "Ceramics in Scholarship Tests." Nearly 160 ceramics, most of which were made specifically for Chinese scholars such as brush holders, inkstones and teapots. The exhibition exemplifies many Chinese decorative techniques over the past 1,000 years, from classical celadon and blue-and-white ware to the dazzling tones of the Qing dynasty.



Dior dress by Bill Brandt, Borbican Gallery, London.

SWITZERLAND

Lausanne/Pully FAES Musée d'Art Contemporain (tel: 21.729.91.46). To Nov. 23: "Jean Michel Basquiat." More than 100 paintings and drawings covering the eight years of the American graffiti artist's short career. Basquiat's works reflect the artist's African and Hispanic heritage and often allude to Dadaism, Cy Twombly, Pop Art and popular culture.

UNITED STATES

Malibu The J. Paul Getty Museum (tel: 452.7611). To Jan. 5: "The Cult of Saints in the Middle Ages and Renaissance." Focuses on devotional images of saints and illustrations from their lives in manuscripts.

New York Guggenheim Museum (tel: 350.3555). To Jan. 18: "Roy Lichtenstein Retrospective." An overview of the prolific Pop artist's work. Since the 1960s, Lichtenstein has been producing paradoxical, ironic, larger-than-life paintings — many of which are replete with bendy dots.

Metropolitan Opera (tel: 382.6000). Dvorak's "Rusalka." Conducted by John Fiore. With Gabriela Benackova, Janis Martin, Dolores Zajick, Neil Rosenstein, Serge Koptchak. Nov. 11 (Premiere), 15, 18, 22, 26, 29, Dec. 3, 6, 11.

Museum of Modern Art (tel: 703.9400). To Jan. 11: "Joan Miró." In celebration of the 100th anniversary of Miró's birth, an exhibition of 400 works, including more than 150 paintings, as well as sculptures, drawings, ceramics, prints and illustrated books.

Washington National Gallery of Art (tel: 842.6353). To Jan. 2: "John James Audubon: The Watercolors for 'The Birds of America.'" At his death in 1851, Audubon had become the United States' leading naturalist and an original chronicler of America's birds. Watercolors on display illustrate the range of his techniques from the early stage profiles to his later annotated portrayals of birds in their natural settings.

EUROPEAN TOUR

St. Louis Symphony Orchestra, Nov. 2 to 15: The St. Louis Symphony Orchestra, conducted by Leonard Slatkin, with flutist James Galway and pianist Rudolf Buchbinder, perform at Alice Cooper, Frankfurt (Nov. 2); Philharmonie am Gasteig, Munich (Nov. 4); Liederhalle, Stuttgart (Nov. 8); Kuppelsaal, Hannover (Nov. 10) and Philharmonie, Berlin (Nov. 11), among others, will then travel to the Netherlands, Belgium and Britain.

AT A GLANCE: GOOD TRAVEL DEALS

Carrier/Hotel	Location	Deal
Air Namibia	Europe to South Africa	Partner tickets (second ticket 50 percent off) for full-fare, round-trip business-class travel between Frankfurt/London and Windhoek, Johannesburg and Cape Town.
American Airlines	Britain to United States	Advantage members earn double miles with most round-trip fares from Heathrow, Gatwick, Manchester and Glasgow. Until March 31.
American Airlines	Britain to United States	Upgrades — full economy to business class, and business to first — from London, Manchester or Glasgow. Ask for free Upgrade Certificate from airline or travel agent.
Asiana/Korean Air	North America to Asia	Two-for-one (partner free) in first and business class. Until Dec. 31.
British Airways	United States to Britain	Members of Executive Club frequent-flyer program U.S.A. get 6,000 bonus miles when they pay with a Chase Manhattan Bank Affinity card for a full-fare round-trip from U.S. to any U.K. gateway. Members flying first or business also receive a \$500 credit to their Chase/BA Visa statement. Until March 31.
British Airways	United States to Britain	Cheap 21-day advance purchase fare to the U.K. is available until March 31 (except Dec. 15-25). Sample midweek/weekend fares: \$379/\$399 from New York; \$498/\$548 from Chicago; \$529/\$549 from Los Angeles.
British Airways	United States to Europe	Europe Air Pass allows 3 to 12 flights within Europe on BA, TAT, Gibraltar Airways and Deutsche BA, on purchase of a round-trip ticket to Britain. Cost of coupons depends on sectors. Examples: London-Moscow \$198; London-Paris \$91; Nice-Rome \$116.
Delta Air Lines	Europe to North America	"Mileage Stretchers" allow members of Delta Frequent Flyer program to win flights with mileage requirements as much as 40,000 miles lower than the standard.
Europcar-Interrent	Europe	Mercedes Drive program gives the same guaranteed rates for C and E class cars in nine countries. Daily rates, including insurance, taxes, unlimited mileage and free domestic one-way rental start at £98, 982 French francs and 265 Deutsche marks. Until Dec. 31.
Finnair	London to Beijing	Buying a round-trip business ticket (via Helsinki) brings two free nights at the China World Hotel.
Gulf Air	Manchester to Gulf	Two-for-one in first and business class one-way or round-trip to United Arab Emirates, Oman, Qatar, Bahrain, Kuwait and Saudi Arabia. Passengers who pay full fares will be upgraded to the class above. Until March 31.
Gulf Air	Hong Kong to Bangkok	Buy two full-fare business tickets and get a third free.
Hilton Hotels	Britain	Hilton Hi-honors program is now open to British travelers. Members earn points on stays at 230 Hilton/Conrad hotels, airline mileage and car rental.
National-Interrent	United States	Rental in conjunction with USAir flight earns double Frequent Traveler miles on weekend rate rental and triple miles on weekly rate rentals until Nov. 30.
SAS	Asia to Scandinavia	Two-for-one in business class for passengers starting from Hong Kong, Kuala Lumpur, Jakarta or Singapore. Until Nov. 30. EuroBonus members earn 5,000 extra points flying business class from Bangkok, Singapore and Hong Kong during December and January.
SAS	Australia/New Zealand to Scandinavia	Upgrade to business class on Bangkok-Copenhagen/Stockholm sectors costs \$350 one way, saving \$900 on one-way business fare.
SAS	Europe to Asia	Fly-stay business-class packages for round trips offer first night free plus 50 percent off rack rate thereafter at SAS Royal Hotel in Beijing and Hilton in Beijing, Bangkok, Singapore, Hong Kong, Tokyo. Until Dec. 31.
Thai Airways	Worldwide	Members of new Royal Orchid Plus frequent-flyer program get double mileage in business or first class either direction between Bangkok and Europa or Australasia. Plus any flight between Bangkok/Seoul/Tokyo and Los Angeles. Until Jan. 31.
USAir	To Florida or Europe	Two-for-one on any published fare for members of USAir frequent-flyer program logging two round trips on unrestricted tickets between Baltimore and either Chicago or Cleveland, before Nov. 30. For travel until Dec. 31.

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Thursday's Closing
Tables include the networks of up to
the closing on Wall Street and do not report
late trades elsewhere. Via The Associated Press

Symbol	Price	Change
IBM	100.00	+0.25
MSFT	55.00	+0.50
ORCL	45.00	+0.25
INTL	35.00	+0.10
DISC	25.00	+0.15
WALD	15.00	+0.05
AMZN	10.00	+0.10
GOOG	5.00	+0.05
MSFT	55.00	+0.50
ORCL	45.00	+0.25
INTL	35.00	+0.10
DISC	25.00	+0.15
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DISC	25.00	+0.15
WALD	15.00	+0.05
AMZN	10.00	+0.10
GOOG	5.00	+0.05

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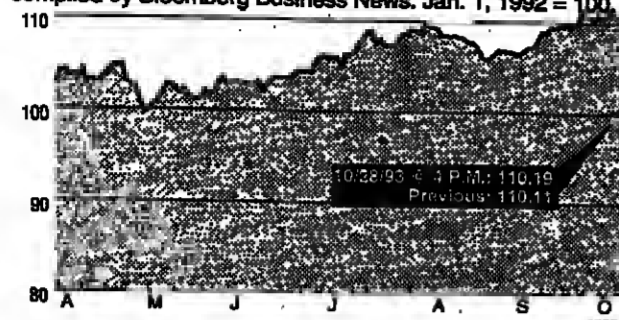
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Continued on Page 16

THE TRIB INDEX: 110.19

International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Region	Approx. Weighting	Approx. Change
Asia/Pacific	25%	+0.87
Europe	40%	+0.02
N. America	35%	+0.87

Industry	Value	% Change
Energy	110.50	+0.87
Utilities	114.80	-0.97
Finance	119.50	-0.63
Services	119.49	+0.23
Capital Goods	105.29	+0.02
Raw Materials	104.85	+0.26
Consumer Goods	92.22	+0.87
Miscellaneous	120.56	+0.96

For readers desiring more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to Trib Index, 161 Avenue Charles de Gaulle, 92221 Neuilly Cedex, France.

WALL STREET WATCH

Bulls, Bears, P/E Ratios And the '94 Crystal Ball

By Tom Petrino
Los Angeles Times Service

NEW YORK — Wall Street is gripped by quarterly earnings mania, but investors' real concern is not what happened last summer but what will happen in 1994. The bears' primary case against stocks is that they are too expensive, meaning share prices relative to corporate earnings are too high. The bears have a point. Using the Standard & Poor's index of 500 mostly blue chip stocks, the market's price-to-earnings ratio, or P/E, is now 18, based on average 1993 estimated earnings per share. Since 1950, the S&P 500 P/E has rarely exceeded 18; and very often, a rise to the 17-to-18 level has marked temporary market tops.

But a P/E is a moving target. Because it is the product of simple division, a P/E can come down in one of two ways: Either the numerator (stock prices) drops, or the denominator (earnings) rises.

The bulls' case is that corporate earnings will be higher than expected in 1994, which means that the market P/E is lower than it appears. In addition, the bulls say, rising earnings should give investors confidence to bid stocks higher next year, enough to leave the market's P/E hovering around the historical peak of 18.

How the numbers shape up:
• Wall Street analysts' current consensus estimate is that the S&P 500 index will show earnings of \$25.79 a share this year, according to the earnings tracker Zacks Investment Research in Chicago. With the S&P index at 464.61 Thursday, divide that by \$25.79 and you get 18.
• For 1994, analysts' consensus estimate is for the S&P companies to earn \$28.82 a share. Divide that into 464.61 and you get 16.
Thus, if you assume that the analysts' estimates are right — and that investors will be willing to pay as much for stocks a year from now as they do today (18 times earnings) — the S&P index could rise 12 percent over the next year just to maintain the P/E at 18.
Admittedly, however, the assumptions in that calculation are huge. At this point, a 1994 earnings estimate is based more on hope than anything else. Even if analysts are right about earnings, other variables could pull down the perception of a "fair" P/E. Higher interest rates, for example, could make stocks less attractive, undercutting P/E's.
It is also worth noting that the S&P earnings number is mythical. It represents a composite figure after calculating earnings-per-share expectations for each of the 500 companies in the S&P index. So while the "market" may appear reasonably priced, according to

Bulls say earnings will be higher than expected next year.

See RATIO, Page 13

A Swedish Bank Born to Be Bad

Securum Inherits Failed Debt from Nordbanken

By Erik Ipsen
International Herald Tribune

STOCKHOLM — In Sweden, where most firms are laying off employees with record-shattering abandon, one company has hired 400 staffers in the last year and opened offices as far away as Connecticut.

"We are a true super-conglomerate," said Lars Thunell, president of Securum AB. "There is no rationale whatsoever behind it."

What does stand behind Securum is disaster. Created one year ago by the Swedish government, Securum is the so-called bad bank into which all the failed loans of state-owned Nordbanken were rolled. Stripped of 57 billion kronor (\$8.26 billion) in curdled credits, a relatively healthy Nordbanken looks set to be privatized next year.

"It enables us to be privatized much faster," said Chairman Jacob Palmsteira happily.

Securum, meanwhile, has overnight taken on the dubious distinction of being one of the world's largest bad banks, and now ranks as one of Europe's largest property owners. It marks a bold and controversial European debut of an idea that was pioneered in America, most prominently with Mellon Bank Corp.'s Grant Street National Bank.

The problem with bad banks in Europe, and especially in relatively illiquid Sweden, is that their smaller and less liquid capital markets make the crucial task of selling off foreclosed assets dicey in depressed markets.

The scale of the problem is evident in Securum's 2,000 individual properties. Acting on behalf of the Swedish government, its task is to manage its vast holdings well

enough to find buyers for them in the open market. "Securum is designed as a workout unit to last 10 to 15 years," explained Stefan Ingves, the director general of Sweden's Bank Support Authority. For that task it was capitalized by the Swedish government at 24 billion kronor, a sum equal to the nation's entire defense budget. And that may not be the end

of it. Securum used up all but 8.9 billion kronor of its capital in its first six months of operation alone.

Behind those losses is a property-heavy portfolio. Property accounts for fully 70 percent of Securum's assets, with the vast bulk but by no means all of it in Sweden itself. In Britain, for instance, Securum's holdings range from a balustrade 12-story office building shaped like Noah's Ark, to seven hotels with a total of 1,200 rooms, to an airplane service company with 6,000 employees.

And then there is Atlanta. "Swedes went wild in Atlanta," groused Mr. Thunell. There his company is stuck with 300 million kronor worth of second-hand office space.

Securum's foreign portfolio is likely the least of its headaches. In Germany, Spain, Britain and elsewhere, the property market still exists, but so Sweden sellers still vastly outnumber buyers and property values have been halved.

"To sell out at the moment would make the real estate market fall even more," said Bo Lundgren, Sweden's Minister of Fiscal and Financial Affairs, a man who bonded his talents for dealing with banking disasters by traveling to Washington as well as Texas to study first-hand the American experience with its failed savings and loan institutions.

One of the thornier problems Securum faces is how to motivate its staff in a company that all parties concerned would like to see cease to exist as soon as possible. Mr. Thunell's approach is to tell his managers that success will be rewarded not by working themselves out of a job, but by a return of their units spruced up and fully staffed to the private sector.

To hasten that day, Securum is clustering its assets into units rather than attempting to sell them off piecemeal. It aims to form up to 15 groups in Sweden alone, with the largest of the lot being Nobel Industrier, which has 21,000 employees.

As a state-owned company and as one that only acquires its assets under financial duress, Securum also has some unique burdens. Its official statement on ethics hints at the challenges involved with foreclosures by saying that "employees and affected parties" must be "treated with reason and respect."

As the heir to the nasty end of what is one of the costliest disasters in Swedish banking history, Securum is charged with doing more than merely managing the mess left behind by the loan officers at Nordbanken. It must also figure out if more than bad judgment was involved. To that end last March it formed an "Irregularities Committee."

JR East Issue Is Derailing Tokyo Market

By James Sterngold
New York Times Service

TOKYO — What began as a jerky roller coaster ride for the newly listed shares of the East Japan Railway Co. earlier this week has turned into a general stock-market rout, with prices, investor sentiment and the market's overall reputation declining rapidly.

For the second day Thursday, trading in the shares of JR East, as the government-controlled railroad is known, had to be suspended while the Tokyo Stock Exchange struggled to cope with waves of sell orders that paralyzed its computers. The temporary halt in dealings only seemed to raise the level of anxiety, however, by exposing po-

tentially serious shortcomings in the exchange's trading systems. Investors just sold other shares.

By the end of the day, JR East shares had fallen to \$25,000 yen, the equivalent of about \$4,860, from 600,000 yen after Wednesday's abbreviated session. Trading was halted more than two hours.

The shares had rocketed precipitously to 600,000 on Tuesday from the opening price of 380,000 yen. Investors have been trying to take profits ever since, analysts said.

Meanwhile, the closely watched Nikkei 225 stock index tumbled 359.33 points, or 1.8 percent, to 19,479.45. The index has now declined 4.1 percent over the past three days.

There is a bitter irony in this turmoil, since the JR East listing was planned with the expectation that it would bring reluctant individual investors back to the stock

market after being frightened off by a nearly four-year plunge. Now it seems to be scaring them off.

Analysts said a volatile mix of worries were behind the market's decline. The economy appears unable to emerge from a two-year recession and corporate profits are in a nosedive much worse than had been expected.

For instance, the Tokyo office of Merrill Lynch & Co. just lowered its forecast for manufacturers' profits in the current fiscal year,

New Chief Aims to Put Kodak's 'Financial House in Order'

Compiled by Our Staff From Dispatches

NEW YORK — George Fisher said Thursday that his first tasks as the new chairman and chief executive at Eastman Kodak Co. were to make sure the company's "financial house is in order" and focus on products customers want.

Mr. Fisher, chairman and chief executive at Motorola Inc., will take over Dec. 1 from Kay R. Whitmore, becoming the first top executive from outside Kodak in 100-year history of the company.

Mr. Whitmore was dismissed by Kodak's board in August because of the company's poor financial performance and his reluctance to radically change the tradition-bound photographic giant.

"It's pretty apparent to me that profitability has to improve significantly, return on assets has to improve significantly," Mr. Fisher said at a news conference broadcast to Kodak employees.

He also said Kodak's \$7 billion in debt must be reduced in order to "free the company to do some of the things it needs to get on with doing," such as investments.

The news late Wednesday of Mr. Fisher's appointment pleased Wall Street, which sent Kodak's stock higher in after-hours trading by \$4.575 to \$62.25. On Thursday, the stock closed at \$63.75.

Mr. Fisher, 52, said Kodak would have to improve the time it takes to make decisions and produce new products that customers want rather than making products that are possible because of technology.

United Air and Delta Post Profits

The Associated Press

NEW YORK — Major airlines in the United States continued to post improved results Thursday, as United Airlines and Delta Air Lines reported money-making summers, but United said it expected a loss in the final three months of the year.

The results, while improving, have not yet strayed far from seasonal patterns. Airlines typically have their best performance in the spring and summer periods, while the autumn and winter are usually the weakest seasons.

American Airlines and Northwest Airlines previously reported profit for the third quarter. USAir Group was expected to be the only major airline to post a loss for the period.

UAL Corp., the parent of United, said it earned \$149 million, or \$5.74 a share, in the third quarter, compared with \$6 million, or 27 cents a share, a year earlier. Revenue was up 11.6 percent, to \$3.99 billion from \$3.58 billion.

The Chicago-based company said the improved performance was principally due to cost controls and increased revenue on United's long-haul routes.

The profit was larger than many Wall Street analysts had expected.

Banking

Delta, meanwhile, reported a profit of \$60.4 million, or 65 cents a share, for the quarter ended Sept. 30, the first quarter of its financial year. In the same period in 1992, Delta had a loss of \$125.2 million, or \$3.07 a share. Revenue at the Atlanta-based carrier rose 5 percent to \$3.22 billion.

But Stephen M. Wolf, chairman and chief executive, said the company still expected a loss for the fourth period and the year. He did not make a more specific forecast. Analysts' predictions of UAL's losses average about \$2.25 a share for the fourth quarter and \$2.64 for the year.

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GM Cuts Losses To \$113 Million In 3d Quarter

Compiled by Our Staff From Dispatches

DETROIT — General Motors Corp. announced Thursday it had sharply cut its loss in the third quarter and predicted further advances for the rest of the year.

The carmaker said it had a loss of \$113 million in the period, due mainly to its efforts to restructure its North American operations. In the same quarter a year ago, GM had a loss of \$1.1 billion.

North American operations alone had a loss of \$1.1 billion in the quarter, compared with a loss of \$1.8 billion a year earlier.

But at the international level, GM reported a profit of \$42.2 million, with Latin American operations remaining very strong and the European sector continuing to show a profit despite the harsh business climate there.

Without special charges, GM earned \$176 million overall. The results were better than analysts had expected, and GM shares rose \$2.125 to \$49 in late trading on the New York Stock Exchange.

The loss amounted to 49 cents a share, compared with a loss of \$1.86 a share a year earlier.

The third-quarter results included a pretax restructuring charge of \$950 million, which amounted to \$589 million after taxes, or 83 cents a share, to pay for accelerated job cuts that are part of the automaker's downsizing.

GM also took a \$144 million aftertax charge to cover lump-sum payments to retirees as part of the new contract with the United Auto Workers union. Those payments will be made in 1995 and 1996.

It had a one-time gain of \$444 million from a change in U.S. tax law. The company eventually will pay a higher tax rate, but its earlier set-asides for income taxes created the windfall.

The automaker is in the process of closing about 20 plants, or one-fifth of its capacity, by 1996 while shedding at least 74,000 jobs. GM now has about 265,000 U.S. hourly workers.

Third-quarter revenue rose to \$30.2 billion from \$29.5 billion. The \$42.2 million profit from international business was a 62 per-

cent gain over a profit of \$260 million in the same quarter a year ago.

In Europe, GM said operations "remained profitable despite a difficult economic climate, but profits were below 1992 levels."

It said its share of the European passenger car market rose to 13.9 percent in the third period, from 12.3 percent a year earlier.

GM was the third of Detroit's Big Three automakers to report much improved third-quarter results as car and truck sales gained and factories became more productive.

Ford Motor Co. had a profit of \$463 million in the period, after a loss of \$272 million a year ago, while Chrysler Corp. had income of \$423 million, up from \$302 million.

"We faced some really tough issues, but we accomplished a lot," said the president of GM, John F. Smith. "We won't be satisfied until we've restored the earnings power of our operations in the key North American market."

The company's chief financial officer, C. Richard Wagoner, said that the company remained on track to break even in its North American vehicle business by the end of the year.

"We're kind of three quarters of the way there," Mr. Wagoner said. "We think we're going to meet the target, but it's going to take a good fourth quarter." He added, "It's a deep hole that we still have to work our way out of."

The company gained from increased retail sales and reduced reliance on less-profitable sales to rental fleets. In addition, its truck plants were running at full capacity to satisfy strong demand for pickups and sport utility vehicles.

"What people are focusing on is everything above the bottom line and the size of GM's operating improvement," said Jack Kirman, an auto analyst with Salomon Brothers. "GM's stock is a real value now."

GM's latest figures marked a tremendous improvement from a year earlier, underscoring the steady progress the carmaker has made in restoring its domestic vehicle business to health after losing more than \$17 billion since 1990.

IB 1735
BLANCPAIN

The ultra-slim watch

SINCE 1735 THERE HAS NEVER BEEN A QUARTZ BLANCPAIN WATCH. AND THERE NEVER WILL BE.

It said a 3,000 franc (\$535) fine would be issued for each bottle sold after that period.

The court ruled that the use of the label risked "weakening" the reputation of the wine that made the name famous.

The ruling was in response to a lawsuit by such noted champagne makers as Moët & Chandon as well as the Inter-professional Committee of Champagne Wine and the institute that oversees respect for regional trademarks.

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CURRENCY & INTEREST RATES

Cross Rates	Oct. 28
Amsterdam	1.85 2.975 1.229 6.201 0.188 1.182 1.221 1.241 1.241
Brexit	2.07 2.44 2.167 6.31 0.188 1.182 1.221 1.241 1.241
Frankfurt	1.975 2.44 2.167 6.31 0.188 1.182 1.221 1.241 1.241
London (d)	1.85 2.975 1.229 6.201 0.188 1.182 1.221 1.241 1.241
Madrid	163.20 190.82 79.91 22.02 1.221 1.241 1.241 1.241 1.241
Moscow	145.58 240.48 79.91 22.02 1.221 1.241 1.241 1.241 1.241
New York (d)	1.85 2.975 1.229 6.201 0.188 1.182 1.221 1.241 1.241
Paris	1.85 2.975 1.229 6.201 0.188 1.182 1.221 1.241 1.241
Tokyo	163.20 190.82 79.91 22.02 1.221 1.241 1.241 1.241 1.241
Zurich	1.85 2.975 1.229 6.201 0.188 1.182 1.221 1.241 1.241
1 EUR	1.85 2.975 1.229 6.201 0.188 1.182 1.221 1.241 1.241
1 SDR	1.85 2.975 1.229 6.201 0.188 1.182 1.221 1.241 1.241

Eurocurrency Deposits	Oct. 28
1 month	3 1/2 % 6 1/4 % 4 1/2 % 4 1/2 % 5 1/2 % 5 1/2 %
3 months	3 1/2 % 6 1/4 % 4 1/2 % 4 1/2 % 5 1/2 % 5 1/2 %
6 months	3 1/2 % 6 1/4 % 4 1/2 % 4 1/2 % 5 1/2 % 5 1/2 %
1 year	3 1/2 % 6 1/4 % 4 1/2 % 4 1/2 % 5 1/2 % 5 1/2 %

Key Money Rates	Close	Prev.
Discount rate	3.00	3.00
Prime rate	5.00	5.00
Federal funds	3.00	3.00
3-month CDs	2.89	2.87
6-month interbank	3.25	3.25
1-year T-bill	3.00	3.00
3-month Treasury bill	3.21	3.23
90-day Treasury bill	3.21	3.23
1-year Treasury bill	4.80	4.82
3-year Treasury bill	4.95	4.99
10-year Treasury bill	5.27	5.43
30-year Treasury bond	5.95	6.00
Merrill Lynch 30-day Repo	2.69	2.69

United States	Close	Prev.
Bank base rate	6.00	6.00
Call money	6.00	6.00
1-month interbank	5 1/2 %	5 1/2 %
3-month interbank	5 1/2 %	5 1/2 %
6-month interbank	5 1/2 %	5 1/2 %
1-year GFI	4.82	4.86

Other Dollar Values	Currency	Par \$	Currency	Par \$	Currency	Par \$
Australia	1.70	1.70	Hong Kong	7.75	N. Zealand	1.80
Canada	1.33	1.33	India	46.34	Sweden	8.00
France	6.55	6.55	Japan	136.00	Switzerland	1.48
Germany	1.93	1.93	South Africa	12.80	Taiwan	3.40
Italy	1.93	1.93	UK	0.70	Thailand	25.34
Spain	166.38	166.38	US	1.00	Turkey	16.40
Sweden	8.00	8.00	Yen	106.00	Yuan	8.27
Switzerland	1.48	1.48	DM	1.93	DM	1.93
Taiwan	3.40	3.40	DM	1.93	DM	1.93
Thailand	25.34	25.34	DM	1.93	DM	1.93
Turkey	16.40	16.40	DM	1.93	DM	1.93
Yuan	8.27	8.27	DM	1.93	DM	1.93
Yen	106.00	106.00	DM	1.93	DM	1.93
DM	1.93	1.93	DM	1.93	DM	1.93

MARKET DIARY

Signs of Growth Spur Blue Chips

Compiled by Our Staff From Dispatches NEW YORK — Promising economic readings and encouraging corporate financial results sent stock prices to a new record Thursday, with the market buying adding to the market's upward momentum.

Blue-chip issues were the star performers of the session and the

N.Y. Stocks

Dow Jones industrial average finished at a new high. The key market measure swept past 3,700 for the first time and spent much of the day there before retreating.

For the day, the Dow gained 23.20 points to 3,687.86, according to an unofficial tally. That topped Monday's previous high of 3,673.61.

Advances topped declines by about a 9-to-7 ratio on the New York Stock Exchange. Big Board volume was a heavy 294.7 million shares.

Stock market participants reacted favorably to government reports that added to recent evidence of improving economic conditions.

The Commerce Department reported that economic growth accel-

erated in the third quarter to a 2.8 percent annual rate.

Separately, the Labor Department reported that the number of Americans filing first-time claims for jobless benefits fell by 4,000 last week to 347,000.

"The GDP report was a very solid report. It showed moderate economic growth and low inflation. It's hard to imagine a better combination for the financial markets," said Hugh Johnson, chief investment officer of First Albany Corp.

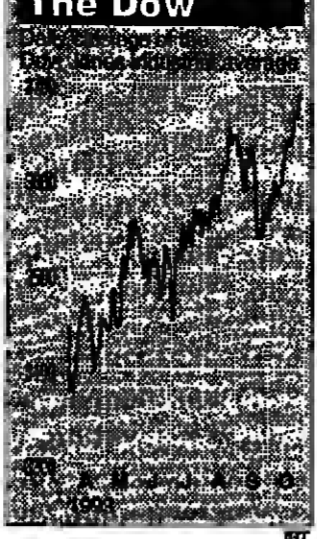
He said quarterly statements from General Motors and Xerox contributed to the market's enthusiasm while computer-aided program buying supported the trend.

GM Motors and Eastman Kodak led the Dow's upward surge. Kodak jumped to 63 1/2, up 1 1/2. It led the Big Board's list of active issues after news late Wednesday that Motorola's chairman, George Fisher, had resigned to become chairman and chief executive of Kodak. Motorola sagged 1 1/4 to 104.

General Motors, the second most active issue, climbed 2 to 48 1/2 after reporting its losses narrowed to 49 cents a share in the third quarter from \$1.86 a year ago.

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The Dow



NYSE Most Active

Table listing the most active stocks on the NYSE, including volume, price, and change.

AMEX Most Active

Table listing the most active stocks on the AMEX, including volume, price, and change.

NYSE Diary

Table listing various NYSE indices and their performance.

AMEX Diary

Table listing various AMEX indices and their performance.

Previous NASDAQ Diary

Table listing various NASDAQ indices and their performance.

Dow Jones Averages

Table showing Dow Jones Averages for various sectors and indices.

Standard & Poor's Indexes

Table showing Standard & Poor's Indexes for various sectors.

NYSE Indexes

Table showing NYSE Indexes for various sectors.

NASDAQ Indexes

Table showing NASDAQ Indexes for various sectors.

AMEX Stock Index

Table showing AMEX Stock Index for various sectors.

Dow Jones Bond Averages

Table showing Dow Jones Bond Averages for various bond categories.

Market Sales

Table showing Market Sales for various categories.

N.Y.S.E. Odd-Lot Trading

Table showing N.Y.S.E. Odd-Lot Trading for various stocks.

S&P 100 Index Options

Table showing S&P 100 Index Options for various strikes and expirations.

EUROPEAN FUTURES

Food

Table showing European Futures for Food commodities.

Metals

Table showing European Futures for Metals commodities.

Stocks

Table showing European Futures for Stock indices.

Spot Commodities

Table showing Spot Commodities for various goods.

Dividends

Table showing Dividends for various companies.

Financial

Table showing Financial futures for various instruments.

U.S. FUTURES

Grains

Table showing U.S. Futures for Grains commodities.

Metals

Table showing U.S. Futures for Metals commodities.

Stocks

Table showing U.S. Futures for Stock indices.

Livestock

Table showing U.S. Futures for Livestock commodities.

Financial

Table showing U.S. Futures for Financial instruments.

Food

Table showing U.S. Futures for Food commodities.

Stocks

Table showing U.S. Futures for Stock indices.

Commodity Indexes

Table showing U.S. Futures for Commodity Indexes.

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U.S./AT THE CLOSE

Xerox Net Surges 24% in 3d Quarter

STAMFORD, Connecticut (AP) — Xerox Corp. reported Thursday that its earnings rose 24 percent to \$150 million in the third quarter, primarily due to a one-time U.S. tax credit of \$23 million in its core document-processing business.

Xerox said its income from document processing, which accounts for most of the company's earnings, grew 25 percent in the third quarter to \$148 million, largely because of the tax credit. Income from financial services and insurance operations — businesses from which Xerox is in the process of disengaging itself — remained flat at \$2 million.

Revenue remained flat at \$3.6 billion, the company said. For the first nine months, Xerox earned \$451 million, compared with a loss of \$284 million. The loss last year reflected \$764 million in one-time charges for changes in the way the company accounts for its liabilities for benefits paid to retired employees and income taxes. Revenue slipped to \$10.42 billion from \$10.46 billion last year.

Martin Marietta Buoyed by New Unit

BETHESDA, Maryland (UPI) — Martin Marietta Corp., the second-largest U.S. defense contractor, citing benefits from its acquisition of General Electric Co.'s aerospace electronics business, reported Thursday that its earnings rose 36 percent in the third quarter to \$131.1 million.

Revenue rose 59 percent to \$2.46 billion, boosted by the inclusion of the new unit.

Martin Marietta announced Sept. 30 it would cut 2,000 jobs and close 10 plants by the end of next year, on top of the 9,000 jobs it had already planned to cut this year as part of its plan to reduce costs by \$1.5 billion over the next five years.

When the \$3 billion acquisition was announced last November, the combined operations employed about 97,000. But with the company's cuts and the continued effects of lower domestic and foreign military spending, the work force stood at 86,171 on Sept. 30, compared with 87,990 at the end of the second quarter.

Health-Care Units Boost W.R. Grace

BOCA RATON, Florida (Bloomberg) — W.R. Grace & Co. said Thursday that its third-quarter operating earnings rose 13 percent to \$63.6 million as gains in the company's health-care businesses more than offset a decline in its specialty chemicals.

Revenue rose 2 percent to \$1.14 billion. The figure for last year had included \$58.7 million from units that were subsequently sold. Revenue at units still part of the company had increased 8 percent.

The company said that its operating income in specialty chemicals had fallen 2 percent to \$60.5 million because of weak European demand, an unfavorable exchange rate and a higher U.S. tax rate.

Cablevision to Buy 3 Cable Systems

WOODBURY, New York (Reuters) — Cablevision Systems Corp. said Thursday it had agreed to purchase three cable television systems in New Jersey and Massachusetts from Sutton Capital Associates Inc.

A spokeswoman confirmed a published report that the purchase price would be \$463 million.

Cablevision said the systems it will acquire are in close proximity to systems it already owns in the two states.

The largest system, Monmouth Cablevision, serves 31 communities in central New Jersey with approximately 115,000 cable subscribers.

For the Record

Bank of Boston Corp. said its income in the third quarter fell 45 percent to \$41 million after taking charges related to its acquisitions of two financial institutions. Bank of Boston acquired Multibank Financial Corp. of Quincy, Massachusetts, and Society for Savings, of Hartford, Connecticut, during the quarter.

Textro Inc. named Lewis B. Campbell president and a director, effective Jan. 1. A veteran of General Motors Corp., he joined the company in 1992 as executive vice president and chief operating officer. He replaces James F. Hardyman as president.

RECOVERY: Growth in U.S.

Continued from Page 1 quarter in which the recovery has been "functional and not just statistical."

He attributed its slowness to the need to work off corporate debt and restore the banking system to health.

"Higher growth now comes from higher productivity, which is not bad in the long term," he said, "but

Foreign Exchange

it's not going to generate a lot more jobs than the 150,000 a month we are creating now. What we have here is a central bankers' approach, in which the jobs come gradually and at the end of the road we're all better off.

"That strategy means cracking inflation, which leads to higher interest rates, better business margins and eventually to unemployment rates around the low end of 6 percent. It's really a 10-year process, and it is under way in most of the world. It started around 1988, which means we're really halfway there, and Clinton may see some of the results sooner than you think."

This is essentially the economic strategy of the administration itself, although it can hardly advertise that fact, lest it arouse the Democrats' traditional union and working-class constituencies. A job-creation rate of 150,000 a month — which Labor Secretary Robert B. Reich boasted this week meant an end to the "jobless recov-

ery" — is in fact barely enough to keep up with the natural growth of the labor force.

Such economic growth rates also do virtually nothing to provide the "good jobs with good wages" that Mr. Clinton promised in his election campaign on — and he has been among the first to admit that.

But instead of advocating another spending program, he hailed the 2.8 percent growth rate as "real progress" and called for congressional approval of the North American Free Trade Agreement and of his health care plan, to open up export opportunities and cut business's costs.

Central Banks Sink Dollar

The dollar fell against other major currencies after European central banks sold the currency, choking off an early rally. Bloomberg Business News reported.

The banks took advantage of the morning's rally to sell dollars to adjust their reserves," said James McGroarty, managing director at Athena Global Investments in Greenwich, Connecticut.

In afternoon New York trading, the dollar was quoted at 1.6743 Deutsche marks, down from 1.6800 DM at Wednesday's close, and at 108.15 yen, off from 108.70 yen. The pound gained to \$1.4883 from \$1.4810.

Against other currencies, the dollar stood at 1.4783 Swiss francs, off from 1.4809 francs, and 5.8530 French francs, down from 5.8610 francs.

Canary Wharf Readies Return

LONDON — Olympia & York Development Ltd. said Thursday that it believed the High Court would allow its Canary Wharf development project in east London to come out of administration on Friday.

The company also said Transport Minister John MacGregor was expected to authorize Friday a £1.7 billion (\$2.5 billion) extension of London's Jubilee subway line to the east London real estate development if the court released funds now under administration.

On Oct. 20, the High Court approved Olympia & York Development's £1.1 billion refinancing plan, paving the way for the development to come out of receivership.

WORLD STOCK MARKETS

Agence France Presse Oct. 28

Table showing World Stock Markets for various countries including Amsterdam, Helsinki, Hong Kong, Brussels, Frankfurt, Johannesburg, London, Milan, Montreal, and Toronto.

AMSTERDAM

Table showing Amsterdam stock market data for various companies.

HELSINKI

Table showing Helsinki stock market data for various companies.

HONG KONG

Table showing Hong Kong stock market data for various companies.

BRUSSELS

Table showing Brussels stock market data for various companies.

FRANKFURT

Table showing Frankfurt stock market data for various companies.

JOHANNESBURG

Table showing Johannesburg stock market data for various companies.

LONDON

Table showing London stock market data for various companies.

MILAN

Table showing Milan stock market data for various companies.

MONTEREAL

Table showing Montreal stock market data for various companies.

TORONTO

Table showing Toronto stock market data for various companies.

Handwritten Arabic text: سكتا من الاصل

Volvo Loses Backing On Renault

Compiled by Our Staff From Dispatches
STOCKHOLM — Swedish Fond 92/94, a state-controlled fund manager that has a 2.4 percent voting stake in Volvo AB, said it would vote against the proposed merger of Volvo's auto operations with those of France's Renault SA.

The announcement was the biggest blow struck so far by Swedish opponents of the plan for the automakers to form a joint operating company, Renault-Volvo RVA, next year.

The growing criticism of the plan in Sweden has focused on the dominant stake to be taken by Renault and the fact that the French automaker is still a state-controlled company.

Hans Mertzig, managing director of Fond 92/94, explained the fund's opposition by saying, "The thing is that Renault is not yet privatized."

The chairman of Volvo, Pehr Gyllenhammar, replied that if the French government set a definite date for Renault's privatization, it would risk being forced to sell shares in a poor market.

All Volvo shareholders are due to vote at a special meeting Nov. 9 on the transaction, announced last month, in which Renault is to control 65 percent of the new company and Volvo 35 percent.

A Volvo spokesman said the company had no immediate comment on the fund's announcement of opposition. "It's too early to give a comment," he said. "We'll have to see." (Bloomberg, Reuters)

Ferranti Opts to Bite Bullet By Accepting GEC Takeover

Compiled by Our Staff From Dispatches
LONDON — Ferranti International PLC, the struggling British defense electronics firm, finally gave up its battle for independence on Thursday, accepting a bid from the electronics concern General Electric Co. for just one penny a share.

Ferranti said the only alternative to accepting the GEC bid, which valued the company at £10.1 million (\$15.0 million), would have been to call in the receivers.

Ferranti buckled under the weight of a \$215 million case of fraud discovered in 1989 at International Signal & Control, an arms exporter it bought for \$403 million in 1987.

GEC said that, in addition to the £10.1 million being paid for the shares, it would effectively be required to assume Ferranti's current exposure to banks and other indebtedness of some £140 million.

Ferranti said that its board "has carefully considered all the options open to it and, mindful of the duty to trade lawfully, believes at this time that the only alternative to the offer would be to invite the appointment of receivers."

Ferranti shares, quoted at 6.75 pence only two days ago, plunged to 1.5 pence Thursday on the London Stock Exchange.

General Electric and Ferranti said that GEC, which is not related to the U.S. company of the same name, and its associates already owned approximately 0.47 percent of Ferranti's ordinary shares and 2.49 percent of its special share capital.

General Electric said that discussions with Ferranti had been taking place for some time, adding that Ferranti's increasingly weak financial position had adversely affected its ability to win new business.

Ferranti supplies advanced systems to markets in business, defense and the public. (Bloomberg, Reuters, AFP)

Wellcome Stock Slides on News Of AZT Sales

Compiled by Our Staff From Dispatches
LONDON — Shares of Wellcome PLC slid Thursday, despite a 46 percent increase in the pharmaceutical company's annual pretax profit, as sales growth in its anti-AIDS drug AZT slowed.

The company said pretax profit in the year ended Aug. 31 rose to \$667 million (\$986.5 million). Sales of its main product, Zovirax, which is used to treat herpes infections, jumped 30 percent to £760 million, and sales of AZT, also known as Retrovir, rose 16 percent to £248 million.

In both cases, however, analysts had been forecasting still bigger sales growth. Sales of AZT had risen 22 percent in the previous year.

Chairman John Robb said preliminary findings of an Anglo-French study published in April that appeared to show the drug did not delay the onset of full-blown AIDS had clearly discouraged its use in some markets.

"There was a lot of confusion amongst prescribers and amongst patients themselves, and that certainly had an impact on our sales," he said in a telephone interview.

The stock was down 12 percent from Wednesday's close, with shares changing hands at 717 pence, down 91 pence, in afternoon trading.

Analysts also pointed out that competition and economic conditions were difficult. He said the company planned to retain market share by being "much more aggressive where necessary on price."

Wellcome raised its dividend to 17.3 pence a share for the year from 13.0 pence.

At the 1993 rate, earnings were 2.7 times the dividend, compared with 2.8 previously. (Reuters, Bloomberg, AFP)

ICI Net Surges After Zeneca Sell-Off

Compiled by Our Staff From Dispatches
LONDON — Imperial Chemical Industries PLC, the British industrial group that earlier this year split off its Zeneca health unit, said Thursday that profit before taxes and exceptional items jumped 43 percent to £240 million (\$355 million) for the first nine months and more than tripled to £73 million in the third quarter.

"The welcome improvement in the results compared with last year demonstrates the benefits of the reshaping and self-help programs begun in 1990 and a more competitive exchange rate," said Sir Denis Henderson, the company's chairman.

Analysts had widely predicted a profit increase of only £55 million to £70 million for the quarter.

But Sir Denis cautioned that business conditions remained challenging.

"Prices remain under pressure in all business sectors," he said. "Although we are seeing a steady but unexciting recovery in the United States, difficult trading conditions continue in Continental European markets."

He referred not only to the Zeneca sale but also to an asset swap with Du Pont Co. as well as to a titanium pigment joint venture with NL Industries Inc.

space AG, a large defense and aerospace unit of Daimler-Benz AG, faced a similar dilemma.

Hartmut Mehdorn, a board member, said the company expected to report a loss of 800 million Deutsche marks (\$478 million) in 1993, to close five plants and to cut 16,000 workers in Germany from the company's payrolls by 1997.

The company later denied the loss figure.

Georg von Waldenfels, finance minister for the state of Bavaria, which owns 8.58 percent of DASA, as Deutsche Aerospace is known, said he would urge the company to adopt the VW model and institute a four-day work week instead.

VW labor representatives welcomed the automaker's proposal in principle, but said they resented being put under pressure via the media.

"They have yet to discuss the four-day work week with us," said Klaus Volkert, chairman of VW's workers council. He said the employees' main priority was to preserve jobs, however.

DASA workers booted and whistled at Mr. Mehdorn, and outside the factory hundreds of black crosses on a lawn carried the message, "I was a job."

Similar proposals for radical change also are being discussed at VW's other corporate units and indeed in industry boardrooms throughout Europe.

"Nothing is as it was," said Herbert Hentzer, co-author of a forthcoming book, "Can the Germans Still Be Saved?"

Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
2100	3200	2500
2000	3100	2400
1900	3000	2300
1800	2900	2200
1700	2800	2100
1600	2700	2000
1500	2600	1900
1400	2500	1800
1300	2400	1700
1200	2300	1600
1100	2200	1500
1000	2100	1400
900	2000	1300
800	1900	1200
700	1800	1100
600	1700	1000
500	1600	900
400	1500	800
300	1400	700
200	1300	600
100	1200	500
0	1100	400

Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam	CBS Trend	136.80	133.80	+1.35
Brussels	Stock Index	7,001.26	7,000.49	+0.07
Frankfurt	DAX	2,088.46	2,043.08	+2.23
Frankfurt	FAZ	783.75	785.51	-0.22
Helsinki	HEX	1,556.57	1,558.63	-0.26
London	Financial Times 30	2,893.30	2,363.40	+0.42
London	FTSE 100	3,188.00	3,154.30	+0.28
Madrid	General Index	303.74	304.79	-0.34
Oslo	MIB	1,268.00	1,268.00	-0.06
Paris	CAC 40	2,185.98	2,182.02	+0.18
Stockholm	Aktiebörserindex	1,711.13	1,694.05	+1.01
Vladivostok	Stock Index	483.94	484.89	-0.27
Zurich	SBS	918.84	917.41	+0.16

Sources: Reuters, AFP
International Herald Tribune

Very briefly:

- Rhône-Poulenc SA will cut its dividend this year, a spokeswoman said. For 1992, the French chemical and pharmaceutical company paid a net dividend of 12 francs (\$2.05) a share. Since then, the company has made a 4-for-1 stock split.
- SmithKline Beecham PLC said it planned to consolidate most of its U.K. pharmaceutical research and development operations, at a cost of more than £200 million (\$295.8 million).
- Citibank said it received a license to open a bank in Moscow early next year. The unit of New York-based Citicorp said the Central Bank of the Russian Federation had granted permission to turn its year-old representative office into a bank that accepts deposits and makes loans.
- Groupe AG said it hoped to raise as much as 10.7 billion Belgian francs (\$294.6 million) in a sale of new shares to help finance the insurer's purchase of the Belgian bank and insurance company CGER-ALSK.
- Denmark's central bank cut its repurchase rate half a point, to 8 percent. The bank in recent days had made similar cuts in its discount and folio rates and in rates paid on certificates of deposit.
- Eastern Germany's industrial output was little changed in August from the figure in July but was 8.2 percent higher than the unadjusted August 1992 level. (Bloomberg, AFP, AFX)

Axa Still Sees Stronger 1993

Compiled by Our Staff From Dispatches
PARIS — Claude Bédar, chairman of the French insurance group Axa, reaffirmed Thursday that the company would post a slightly higher profit in 1993.

He said at a news conference that the contribution to Axa's profit by Equitable Companies Inc. of the United States would be greater in the second half than it was in the first half. Axa holds 49 percent of the U.S. insurer. (Bloomberg, AFX)

EUROPE: Labor Unrest on Rise but EC Summit Is Expected to Skirt Issue

Continued from Page 1

But EC finance ministers rejected a commission proposal earlier this week to increase lending. Germany contended that the lending would not increase jobs and that demand for the Community's existing funds was already lagging.

On monetary policy, meanwhile, EC leaders chastened by the summer's currency crisis have rejected calls for interest-rate cuts to spur recovery and ruled out any attempt to reimpose narrow currency trading margins any time soon.

Wim Duisenberg, head of the Dutch central bank, said France and other countries that declined to slash short-term rates after the Aug. 2 collapse of the exchange-rate mechanism had been rewarded by big falls in long-term rates, which are crucial for investment

and growth. France's long-term rates are at the lowest level in a generation and on a par with Germany's at around 6 percent, he noted.

What's more, he added, interest rates cannot affect the deep-seated causes of Europe's unemployment problem such as high wages, rigid work rules and limited labor mobility.

"We can't fight unemployment with monetary policy," he said. "Money matters, but money can't do everything."

The dilemma facing European policymakers is especially acute in Belgium. The unemployment rate here is at 14.1 percent and rising fast; a system of automatic wage indexation is pricing Belgian goods out of export markets, and the recession is threatening to bankrupt the social welfare system.

Prime Minister Jean-Luc Dehaene has promised to begin work immediately after the summit meeting on a package of reforms including wage restraints, cuts in welfare benefits and some payroll taxes, and tax increases on property, alcohol and tobacco.

Unions say the proposals come down too heavily on workers without offering any real prospect of better jobs.

The government's proposed three-year freeze on inflation-adjusted wages, for example, falls short of the freeze on actual wages that is being sought in both Germany and the Netherlands, said Paul de Grauwe, a Flemish liberal senator and professor at the Catholic University of Leuven.

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RATIO: Of Bulls, Bears, P/E's and the 1994 Scenario

Continued from Page 11

to the S&P earnings figure, that does not tell you about individual stocks in the index. If earnings gains are concentrated in a relative few stocks in the S&P and the majority disappoint, a high market P/E is not sustainable.

The bulls say that the good news in third-quarter corporate reports so far is that earnings continue to improve in a healthy cross-section of businesses, including financial, industrial and technology companies. Among industrial companies in particular, earnings gains have occurred despite sales growth.

William Dodge, stock strategist at Dean Witter Reynolds in New York, calculates that about half the S&P 500 companies have reported third-quarter results, and that the aggregate earnings gain for those companies is 11.5 percent versus a year ago. Sales are up 4.5 percent.

"Sales are a little slower than expected, but the companies' margins are better than expected," Mr. Dodge says.

Some of Wall Street's detractors contend that the rise in earnings is illusory. Take out the benefits of

lower interest rates and corporate cost-cutting and "core" earnings — the actual profit on product sales — may not look so exciting.

But Mr. Dodge argues that it is wrong to view cost-cutting as merely a one-time benefit. The drive to boost productivity has become religion to U.S. companies, he says. Even if sales grow faster than expected in 1994, he sees no end to corporate efficiency efforts. That mentality apparently has spread from industrial America to consumer products companies as well.

If you want to paint an exceedingly bullish scenario for 1994, some experts say, this is it: Moderate U.S. sales gains boost industrial companies' earnings; cost-cutting sparks a turnaround in consumer products companies' bottom lines, and both groups benefit from an economic recovery in Europe.

PUTNAM PREMIER INCOME PROTECTION TRUST
FCP
2, Boulevard Royal, LUXEMBOURG

Dividend Announcement

The Putnam Premier Income Protection Trust will pay to its shareholders on record date 29 October 1993, a dividend of US\$ 0.05 per share portfolio A.

The shares are traded ex dividend date as from 29 October 1993. The payments will be made on 5 November 1993.

Luxembourg, 25 October 1993

The Board of Directors
of NEK Putnam Management Company

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Marine Drive, Bombay 400 021 (INDIA)

Announcement:
REPUBLIC OF TURKEY
PRIME MINISTRY
PUBLIC PARTICIPATION ADMINISTRATION

A TYRE MANUFACTURER IN THE FASTEST GROWING AUTOMOTIVE MARKET

The Republic of Turkey, Prime Ministry Public Participation Administration (PPA) offers for sale the shares of the following company.

Company Name (Industry)	Share Capital of the Company (TL)	Percentage of Shares Subject For Sale	Nominal Value of Shares (TL)	Amount of Bid Bond (TL)
PETLAS Lastik Sanayi ve Ticaret A.Ş. (Tyre Manufacturing)	1,300,000,000	99.922	1,298,991,000,000	10,000,000,000

- Information memorandum relating to the sale of the above company can be obtained from the PPA for a fee of TL 300,000.
- The sale of the shares of the stated company will be realized by obtaining the bids and performing negotiations with the bidders.
- Tender offers shall be given in US Dollars. In the event of the offer is made on installment basis in terms of US Dollars, the portion related to installments will be discounted by applying LIBOR+2 compound interest principles as of the tender date. The down payment and installment payments, denominated to US Dollars, shall be made in Turkish Liras by using The Central Bank of Turkey's foreign exchange selling rate prevailing as of the payment date. Furthermore, installment payments will also be secured by means of adequate guarantees.
- Investors are required to submit an irrevocable unconditional bid bond payable on first demand with a maturity period of at least 6 months, amounting to TL 10,000,000,000 to Republic of Turkey Prime Ministry Public Participation Administration's Office (Hitayin Rahmi Gürpınar Sokak, No: 2, Çankaya, 06680, ANKARA-TURKEY) no later than November 29, 1993 Monday by 6.00 PM Turkish mean time.
- The tender offer, together with the receipt obtained upon submission of the bid bond to PPA, shall be made in a sealed envelope on which the name of the company and the sign of "CONFIDENTIAL" should be indicated.
- The following documents must be attached to the tender offer in the event, a) the bidder is a real person, the certificate of specimen signature, b) the bidding is made by a proxy, the power of attorney particularly authorizing to bid in this tender on behalf of the bidder together with this certificate of specimen signature of the attorney, c) the bidder is a legal person, a certificate of power proving that the persons acting on behalf of the legal person have the authority to represent and obligate the legal person together with specimen signature.
- Subsequent to the termination of the sale negotiations with the eligible bidders, a letter of intent encompassing the terms of price and payments as well as a performance bond amounting at least 6% of the final agreed value will be requested from the bidder who meets the PPA's selection criteria. The unconditional bid bond will be cashed and recorded as income in the event that the letter of intent is not given or the letter of intent is given however the performance bond is not given and/or the agreement is not signed within the period as agreed upon between the parties.
- The PPA is not subject to the State Tender Law No: 2886 and reserves the right to decide whether or not to sell the shares and to extend the deadline of the tender, if deemed necessary.
- Other significant matters relating to the sale of the above company will be notified to the investors during negotiations meetings.
- The sale of the shares to real persons and the legal entities domiciled abroad is subject to the existing law and regulations of foreign capital, copies of which are obtainable from the Undersecretariat of Treasury and Foreign Trade, General Directorate of Foreign Investment.

KOİ

REPUBLIC OF TURKEY PRIME MINISTRY PUBLIC PARTICIPATION ADMINISTRATION
Hitayin Rahmi Gürpınar Sok., 2, Çankaya, 06680, ANKARA - TURKEY Tel: (90-4) 441 15 00 Fax: 440 32 71

NASDAQ

Thursday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	Low	Stock	Div	Yld	PE	1993	High	Low	Last	Chg
120	115	AA					118	115	117	+2
110	105	AA					108	105	107	+2
100	95	AA					98	95	97	+2
90	85	AA					88	85	87	+2
80	75	AA					78	75	77	+2
70	65	AA					68	65	67	+2
60	55	AA					58	55	57	+2
50	45	AA					48	45	47	+2
40	35	AA					38	35	37	+2
30	25	AA					28	25	27	+2
20	15	AA					18	15	17	+2
10	5	AA					8	5	7	+2

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20	15	AA					18	15	17	+2
10	5	AA					8	5	7	+2

AMEX

Thursday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. See The Associated Press.

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20	15	AA					18	15	17	+2
10	5	AA					8	5	7	+2

12 Month High	Low	Stock	Div	Yld	PE	1993	High	Low	Last	Chg
120	115	AA					118	115	117	+2
110	105	AA					108	105	107	+2
100	95	AA					98	95	97	+2
90	85	AA					88	85	87	+2
80	75	AA					78	75	77	+2
70	65	AA					68	65	67	+2
60	55	AA					58	55	57	+2
50	45	AA					48	45	47	+2
40	35	AA					38	35	37	+2
30	25	AA					28	25	27	+2
20	15	AA					18	15	17	+2
10	5	AA					8	5	7	+2

12 Month High	Low	Stock	Div	Yld	PE	1993	High	Low	Last	Chg
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110	105	AA					108	105	107	+2
100	95	AA					98	95	97	+2
90	85	AA					88	85	87	+2
80	75	AA					78	75	77	+2
70	65	AA					68	65	67	+2
60	55	AA					58	55	57	+2
50	45	AA					48	45	47	+2
40	35	AA					38	35	37	+2
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70	65	AA					68	65	67	+2
60	55	AA					58	55	57	+2
50	45	AA					48	45	47	+2
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40	35	AA					38	35	37	+2
30	25	AA					28	25	27	+2
20	15	AA					18	15	17	+2
10	5	AA					8	5	7	+2

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Malaysia, McDonnell Clinch Deal

Compiled by Our Staff From Dispatches
KUALA LUMPUR—Malaysia and McDonnell Douglas Corp. signed an agreement Thursday for a 10-year technology transfer program worth about \$250 million.

Kuala Lumpur's decision to buy eight F/A-18D fighter aircraft from McDonnell Douglas clinched the deal, Defense Minister Najib Razak said.

"The final agreement to buy the planes is expected to be signed before the end of the year," Mr. Najib said. He declined to say how much the planes would cost, but defense analysts said it could be \$1.5 billion.

The minister said that the so-called offset program with McDonnell Douglas would "go a long way to further develop Malaysia's aerospace industry."

He said it would provide for the manufacture of airframe components, transfer of technology to repair and overhaul aircraft engines and installation of a simulator.

"It also provides for the development of a computer-based training package for air force maintenance personnel and the manufacture of components for commercial aircraft," the minister said.

Mr. Najib said a regional aircraft maintenance center and a pilot and technical staff training center would be set up under the program.

Through a defense procurement of this nature, we are establishing greater trade linkages between Malaysia aerospace industry ventures and major American firms, thus gaining access to high technology," he said.

Looses for Asia Airlines
Qantas Airways, Australia's flag carrier, reported a loss Thursday of 376.8 million dollars (\$250.2 million) in the year that ended June 30, largely due to write-offs related to its merger with Australian Airlines. Last year, the airline had a profit of 137.6 million.

Meanwhile, All Nippon Airways Co. said its pretax profit fell 62.5 percent to 63 billion yen (\$60 million) in the six months to September. Japan Air System Co. said it plunged to a 3.1 billion yen loss, after a profit of 1.4 billion yen a year earlier.

Outside the Framework? U.S. Trade Talks Become Sales Pitch

By Andrew Pollack
New York Times Service

TOKYO — In its new proposals to open the Japanese market to imports, the U.S. government is seeking especially to promote sales of American-built cars and trucks.

The effort is being made despite a provision in Washington's recent trade framework agreement with Japan stating that any steps to open Japan's market must benefit other potential trading partners as well as the United States.

In the auto proposals, which were presented last week, the United States called for "prompt, substantial and sustained" increases in purchases, not just of foreign automobiles but specifically of American vehicles.

The United States also wants to promote exports of American cars made by its Big Three automakers—not those made on Japanese assembly lines in the United States.

On auto parts, the proposal calls for measuring not only sales of all foreign-made parts but also those of American-made parts, or what it terms "non-Japanese U.S. auto parts."

The proposal has not been made public, but a partial text was made available by someone familiar with the negotiations.

The proposal could cause new concern on the part of European and Asian countries that the trade framework agreement would give an advantage to American companies. The United States has been saying this would not be the case.

A spokeswoman for the Department of Commerce, which is in charge of the auto talks, said the agency would not comment because of the understanding with Japan not to discuss the contents of negotiations.

But a Japanese official, asked about the wording, said it appeared to run counter to the framework agreement, which says that benefits of measures to increase access to Japan's market should be available to all nations.

In its trade talks, the United States is trying to close what some officials view as a loophole in a 1992 pledge by Japanese auto companies to purchase \$19 billion of American parts annually by fiscal 1994.

Some government officials and parts makers have complained that much of the resulting increase in purchases of "American" parts has come from Japanese parts makers in the United States, not from American-owned companies that say they have been unfairly excluded from Japan.

Profits Slide At 4 Electronics Firms in Japan

Compiled by Our Staff From Dispatches

TOKYO — First-half profits tumbled at four of five major Japanese electronics companies that announced results Thursday, indicating the industry had not yet started to emerge from its three-year slump in the six months ended Sept. 30.

Fujitsu Ltd.'s loss doubled from a year earlier, to 44 billion yen (\$406.8 million), while NEC Corp., Mitsubishi Electric Corp. and Hitachi Ltd. reported generally larger-than-expected declines of 15 percent to 49 percent in profits.

Only Toshiba Corp. registered higher earnings, a result it attributed to strong sales of power-generating equipment.

Toshiba said the yen's recent appreciation against the dollar had cut about 56 billion yen from its sales and 36 billion yen from its profit. Nevertheless, its parent-company sales rose 1.2 percent from a year earlier, to 1.54 trillion yen, and its net profit jumped 15 percent, to 17 billion yen.

"While Southeast Asia and China remained favorable markets, the U.S. recovery was not as robust as expected, and the European market showed little sign of recovery," Toshiba said.

Toshiba said a 22 percent rise in sales of heavy electrical equipment, including power generators, and increased demand in the United States for computers and memory chips helped offset declines in other products.

NEC, Japan's largest semiconductor maker, said its parent-company sales fell 2.2 percent to 1.33 trillion yen and net profit plunged 49 percent to 5.14 billion yen. It said strong overseas sales of memo-

Investor's Asia

Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong	Hang Seng	9,010.30	8,903.20	+1.20
Singapore	Straits Times	2,101.73	2,107.41	-0.27
Sydney	All Ordinaries	2,076.30	2,068.30	+0.39
Tokyo	Nikkei 225	19,478.40	19,838.90	-1.81
Kuala Lumpur	Composite	946.72	934.93	+1.30
Bangkok	SET	1,239.18	1,193.18	+3.88
Seoul	Composite Stock	742.83	744.86	-0.27
Taipei	Weighted Price	4,065.87	4,103.63	-0.92
Manila	Composite	2,326.60	2,228.44	+4.40
Jakarta	Stock Index	465.11	464.80	+0.07
New Zealand	NZSE-40	2,131.18	2,118.23	+0.61
Bombay	National Index	1,298.40	1,295.90	+0.04

Seoul Frees Banks on Rates

Compiled by Our Staff From Dispatches

SEOUL — South Korea took a major step toward financial deregulation Thursday by allowing banking and nonbanking institutions to set more of their own interest rates starting Monday.

"Free-market forces will determine many of the rates for lending and borrowing," said Kim Young Das of the central bank of Korea's monetary policy division.

The plan empowers financial institutions to manage 84 percent of their loan rates and 57 percent of deposit rates without government intervention. Institutions now control only 10 percent of lending and deposit rates.

The deregulation is the second and most comprehensive of a four-step plan that the government aims to complete by the end of 1997, when nearly all rates will be determined by market forces.

It was hoped the easing would help companies get cheaper credit. While the move should produce "slight rises" in interest rates, Mr. Kim said, "this will not be a significant threat."

Analysis and local media have speculated that deregulation would result in an increase of up to three percentage points in the prime rate, 8.5 percent for most customers and 9.5 percent at newer banks.

But they said the central bank might counter a rise by expanding the money supply.

And the Yonhap press agency quoted a Finance Ministry official as saying that if "interest rates start rocketing in the wake of Monday's deregulation, a possible cut in the

discount rate cannot be ruled out."

The Bank of Korea has cut the discount rate twice this year, to 6 percent from 8 percent in January, and by a further percentage point to 5 percent in March.

Taiwan to Tighten Rules
The Economics Ministry said Thursday it planned to reimpose a ceiling on corporate reinvestment, limiting the amount that each local company could invest in other companies, Reuters reported.

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Herald Tribune.

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Sociedad Anonima
Incorporated under the laws of Panama

Notice is hereby given that the Extraordinary Meeting of the shareholders of Fidelity Pacific Fund SA ("the Corporation") will be held at Kansallis House, Place de l'Etoile, BP 2174, L-1021 LUXEMBOURG on November 8, 1993 at 10.00 am for the following purpose:

AGENDA

"Upon the recommendation of the Board of Directors, to amend Article SIXTH of the Corporation's Charter such that the Corporation may be dissolved by a simple majority of shareholders representing the total number of outstanding shares of the Corporation so that the amended article reads as follows: SIXTH: The duration of the Corporation shall be perpetual but it may be dissolved at any time, for any of the reasons provided by law or whenever so resolved at a shareholder's meeting by the vote of a majority of shareholders representing a majority of the total number of outstanding shares of the Corporation."

Approval of the above item of the agenda will require the affirmative vote of the simple majority of the voting shares of the Corporation present or represented at the meeting.

Each share is entitled to one vote.

Holders of registered shares may vote by proxy by mailing a form of proxy obtained from Fidelity Investments Luxembourg SA, the Fund's registrar and transfer agent, to the following address:

Fidelity Pacific Fund SA
c/o Fidelity Investments Luxembourg SA
Kansallis House
Place de l'Etoile
BP 2174
L-1021 LUXEMBOURG

Holders of bearer shares may vote by proxy by obtaining from the above institution a form of bearer shareholders proxy, certificate of deposit and receipt for bearer share certificates, against deposit of their bearer share certificates, and mailing the proxy and certificate of deposit to the Corporation at the address set forth in the preceding paragraph. Alternatively, holders of bearer shares wishing to exercise their rights personally at the meeting may deposit, with their shares certificates, or a certificate of deposit therefor, with the Corporation at the address set forth in the preceding paragraph, against receipt therefore which receipt will entitle said bearer shareholders to exercise such rights.

All proxies (and certificates of deposits issued to bearer shareholders) must be received by the Corporation at the registered office of the Registrar not later than 5.00 p.m. (Luxembourg time) on November 5, 1993 in order to be used at the meeting.

Dated: October 27, 1993
By order of the Board.

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INDIA The Fruits of Reform

EXPORTS TARGETING A BREAKTHROUGH

Over the past two years, India has slashed industrial licensing, allowed foreign companies to invest up to 51 percent, automatically disinvested shares of public-sector companies, made the rupee convertible only on trade accounts, cut import duties and launched capital-market reforms.

When P.V. Narasimha Rao became prime minister in June 1991, India was on the verge of defaulting on its sovereign debt. The government sold gold and squeezed imports to save

deposits as statutory reserves. The World Bank and the Narasimham committee recommended that these reserves be reduced in phases. All these changes have been implemented, except the fund.

The RBI has cut interest rates and reserve requirements while expanding the scope of socially minded credit to include export financing. New licenses for private banks with a minimum capital of \$33 million are being considered.

In 1992-93, India's exports totaled \$18.4 billion - a rise of just 3.6 percent. During the same period, imports went up by 11 percent, to \$21.7 billion. One of India's main burdens on the export front was the collapse of its main trading partners in the former Communist bloc countries, especially the former Soviet Union. Exports to this area fell by over \$1.1 billion - a drop of 62 percent that was more than compensated for by exports to the general currency area. This year, exports are going up again, and India may still end up meeting its target of a 20 percent growth rate.

Real GDP grew by 4.2% in 1992-93

foreign exchange and devalued the rupee by 20 percent against the dollar. Simultaneously, it launched a medium-term plan to liberalize the Indian economy.

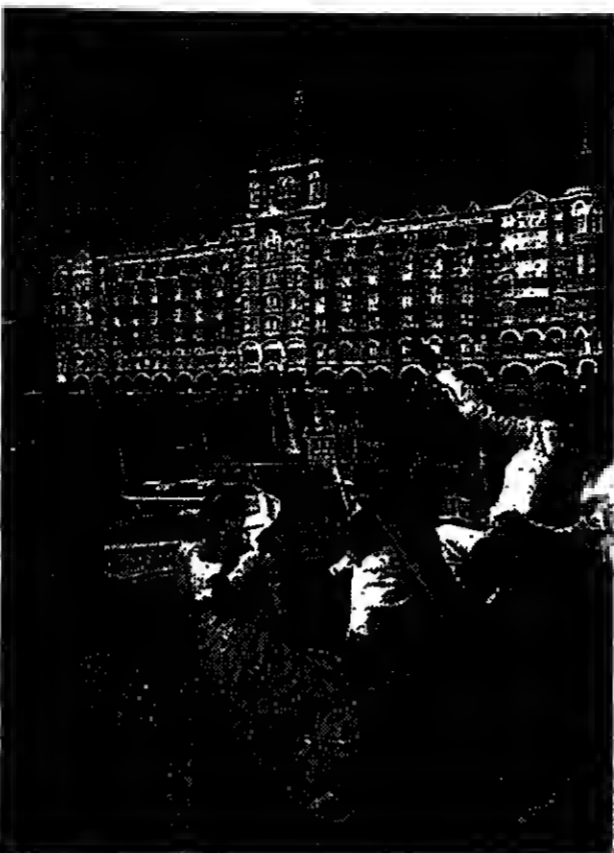
The macroeconomic benefits of this policy have been mixed. On the positive side, inflation and the fiscal deficit have been controlled. Real GDP growth in 1992-93 was 4.2 percent, compared with just 1.2 percent in the previous year. The most significant achievement in 1992-93 was a sharp fall in inflation, without which the whole adjustment process would have been derailed. The wholesale price index at the end of March 1993 rose by only 7 percent. Foreign-exchange reserves rose from \$6.4 billion at the end of March 1993 to over \$8 billion in the third quarter of this year.

In mid-1991, the government appointed a committee headed by M. Narasimham, a former finance secretary and a governor of the Reserve Bank of India (RBI), to create a road map for reforming the banking system. This year, a commission was set up, headed by R.N. Malhotra, also a former RBI governor, to suggest reform proposals for the insurance industry. While the Malhotra commission has yet to deliver its report, the Narasimham committee has suggested some basic changes.

One was that profitable banks be allowed to make equity issues to the public to bolster their depleted capital. According to RBI estimates, banks will need around 100 billion rupees (\$3.2 billion) for recapitalization, much of which will have to come from the government. Banks plan to raise about 40 billion rupees by publicly offering part of their equity capital.

The State Bank of India, India's largest bank, is entering the capital market on December 10. This move will reduce the government holding from 98 percent to 70 percent. The eventual aim is to put as much as 49 percent on the market. At least five other nationalized banks will be allowed to enter the capital market to boost their capital and in the process reduce government holding.

To deal with bad loans, the Narasimham committee suggested that an asset reconstruction fund be set up to buy bad loans from the banks at a discount and then try to recover parts of them. Mr. Narasimham and his team suggested that balance sheets be made more transparent, bad debts be provided for, weak banks be merged with strong banks and bank chiefs be given more autonomy. Indian banks are forced to keep a large amount of



India's tourism, trade and investment outlook have improved since the implementation of the government's economic reforms.

is guaranteeing a 16 percent rate of return after tax. Although foreign institutional investors can now invest directly in the Indian capital markets, only about \$260 million dollars has come in so far.

Other companies, such as J.P. Morgan, Pioneer Alliance Capital and Bear Sterns, are planning joint ventures. Lazard Brothers' Indian joint venture is launching a mutual fund.

The government has also allowed Indian companies to list and sell their shares on the world markets. A number of companies are planning to float equity and

bond issues abroad, which presents good opportunities to foreign investment bankers.

Some institutions are already reforming themselves. Leading project-finance institution Industrial Development Bank of India is diversifying into investment banking and foreign-exchange management, with branches in Europe, the United States, Japan and Southeast Asia. IDBI is also expanding its venture-capital activities and has signed up with Asian Capital Partners of Hong Kong to sell financial services. Says S.H. Khan, the acting chair-

man: "We are launching a credit-rating agency, a company called Investor Services India Ltd., which will offer post-issue services and promote the National Stock Exchange."

Export performance in 1992-93 was good if the sharp fall in exports to the former Communist bloc countries is taken into account. In the first two months of 1993-94, the growth rate showed a 29.7 percent gain over the same period last year. During this period, imports also dropped - by 4 percent - nearly wiping out the trade deficit. The trend continued through July.

The main boost to exports during those two months was the full convertibility of the rupee on trade accounts announced

Exports may meet 20% growth target

in the 1993-94 budget. This has made Indian exports more competitive. Easier norms on farm exports also helped. Tea exports doubled and tobacco exports leapt by 216 percent in April-May 1993. Textiles (including carpets and handicrafts) were by far the biggest export-earner, although exports grew by only 15.7 percent. For 1993-94, textile exports are expected to account for 35 percent of targeted total exports of \$22 billion.

The Cotton Textiles Export Promotion Council is trying to step up exports to non-quota countries like Bangladesh and certain African nations because, according to the council's chairman, R.S. Mebra, exports to quota countries have already reached the saturation point. Out of an

export target of \$1.4 billion, in the first six months of this year, exports reached \$733 million.

The government is also planning to come out with a preshipment export credit scheme that will allow exporters to borrow in dollars at 2 percent to 3 percent above the London interbank offered rate. Banks may also agree to rediscount bills in the export market, which will help exporters get credit at international rates. Tourism is another target for growth. Tour

operators are suggesting the liberalization of the airline business. While India is far from allowing foreign airlines to expand their services, four new private airlines are now flying domestic routes.

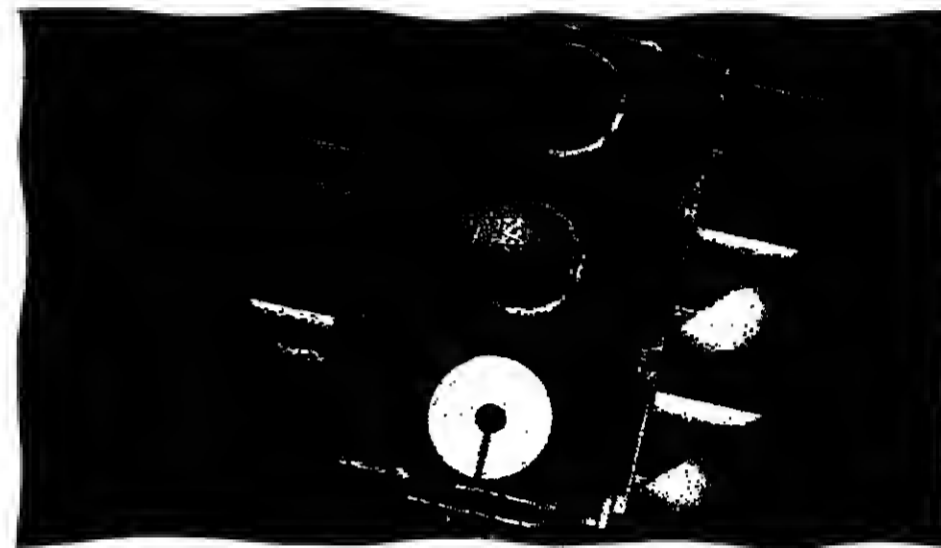
The shortage of airline capacity has been circumvented so far by booming international charter services, mainly to Goa. In 1991, 35 charter flights landed in India - all of them in Goa. Last year, 250 charters flew in.

The silver lining is that

with the state receding from many areas, greater private participation in tourism and therefore greater efficiency look like a distinct possibility.

The Maharashtra Tourism Development Corporation has chosen 33 beach locations along the 720 kilometers of the state coastline, where private operators will get management contracts or renewable leases. Other states are also planning to attract private operators, including foreign companies.

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A Profile

	CAPITAL AND ASSETS (As at end-March 1993)	US \$ Million
Chairman		
Mr. S.S. Nadkarni		
Managing Director		
Mr. S.H. Khan		
	Paid-up Capital	239
	Reserves and Reserve Funds	673
	Total Assets	9868
	Profit after Tax during 1992-93	155



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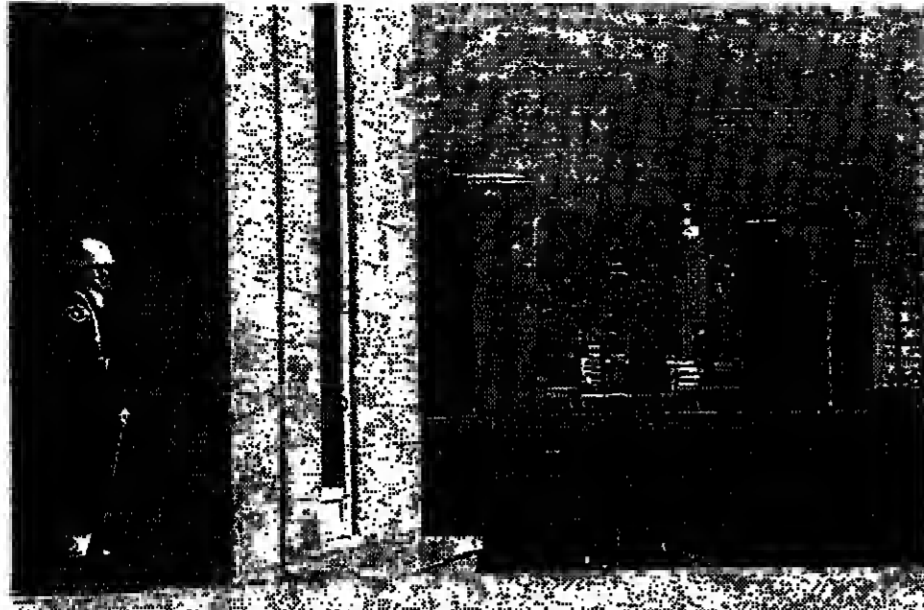
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1923 ANKARA AND THE 1993 ANKARA

THE REPUBLICAN CAPITAL: SYMBOL OF MODERNITY

It has been 70 years since Kemal Ataturk, the founder of the Turkish state, defrocked the imperial city of Istanbul and moved the seat of government to a small Anatolian town at the end of the railroad line. Yet the celebrations earlier this month to mark Ankara's accession to the capital of the Turkish Republic lacked that sentimental edge - something that comes as no surprise to those who know the city well. In Ankara, politics, not tradition, is the consuming passion.

reign of Elizabeth I, for a city with only the most rudimentary of comforts was a means of winning recognition for the young republic. Ankara's planners and architects, for their part, vigorously pursued the modern. Government left

was at its most confident. In the 1920s, Ankara was a boomtown. Although the headquarters of the Koc Group, Turkey's largest conglomerate, are now in Istanbul, the fortunes of its 92-year-old founder, Vehbi Koc, were first consolidated in Ankara in those heady years.

The partial culmination of this process has been the accession of Murat Karayalcin, the last elected mayor of Ankara, to both the leadership of his Social Democratic party and the role of deputy prime minister - without being a sitting member of parliament. In a system used to power tricking from the top down, Mr. Karayalcin, the former director of the Batikent public-housing project, managed to work his way up through his ability to implement ambitious urban renovation projects.

international transport hub with connections not only to Europe but also to Central Asia and the Middle East.

Indeed, Ankara is increasingly an international center for those regions - the Balkans, Caucasia, Central Asia and the Middle East - that intersect in Turkey, and in which the country seems destined to play an ever more important role. The city's universities and government departments have taken on the various tasks of training diplomats from Kazakhstan, engineers from the Sudan and bankers from Ukraine.

This December, delegates from over 35 countries will

Both a national and a regional center

the high palace walls and labyrinthine compounds of Istanbul for straight avenues laid out along virgin hillside.

This brave newness is somewhat misleading, considering that Ankara has been the site of virtually uninterrupted habitation since prehistoric times. Even if this does not figure highly in local civic consciousness, Ankara possesses a Roman temple whose inscriptions are a principle source of information about the Augustan age. Ankara's situation, a series of fortifiable hills at the junction of three small rivers, has meant that it has long been a staging post for the forces of conquest and trade.

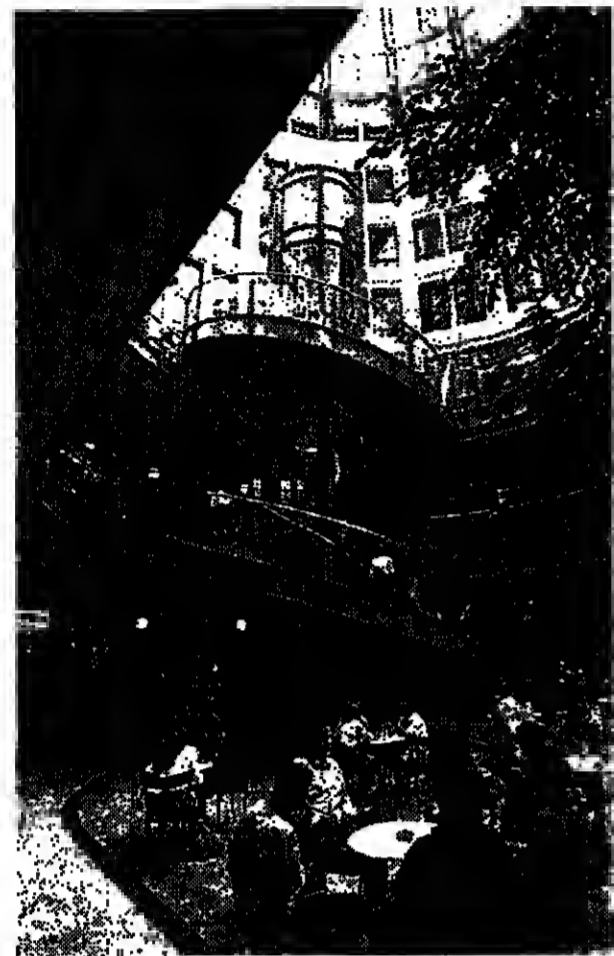
Today, the main business of Ankara is government. Not surprisingly, the city's recent fortunes have flourished during periods when the central administration

In recent decades, the city that rules the country has responded to the challenge of putting its own house in order. This has come about through the devolution of real power to the city from the very government ministries whose sidewalks it is entrusted to keep clean.

Beginning with the late Mayor Vedat Dalokay in 1973, Ankara has played a leading role in what to some extent has been a nonpartisan political movement centered on Turkish local government to ensure that municipalities were both capable of and accountable for the effec-

Leader in evolving municipal roles

attend a gathering in Ankara of the Helsinki Citizens Assembly, an important grass-roots coalition committed to combating the intolerance and forces of disintegration inflicting these regions. The title of the conference is, aptly enough for an event taking place in an international city that was once a provincial town at the end of the line: "Where Does Europe End?"



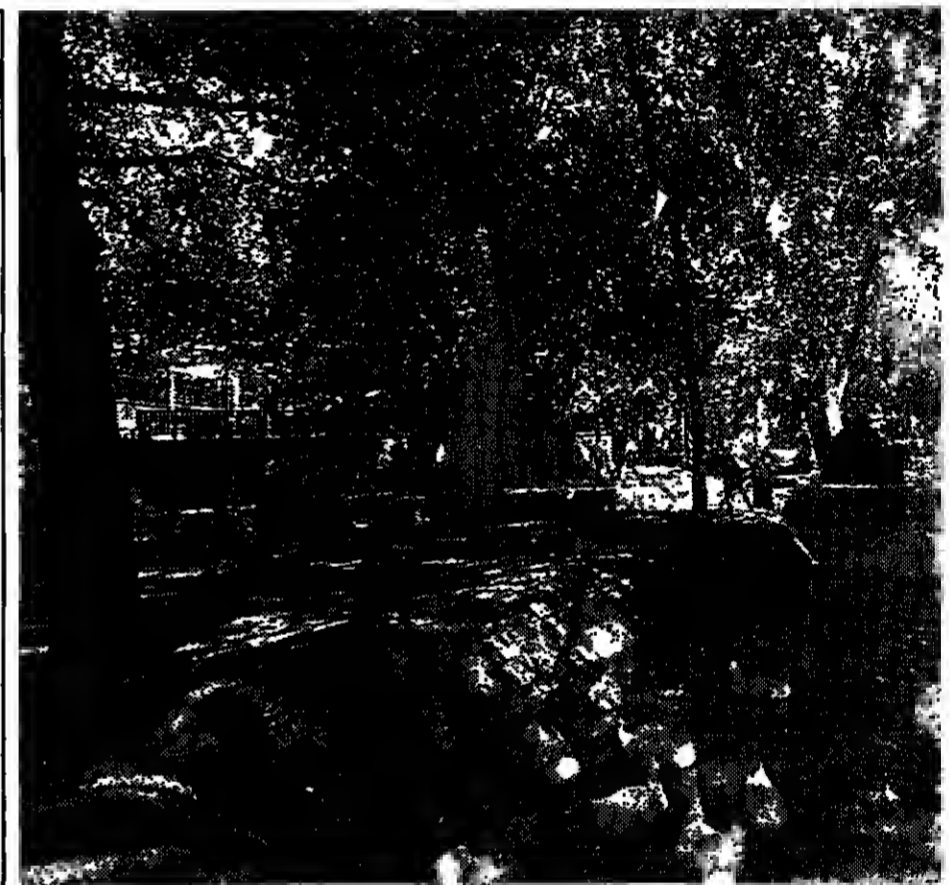
Above, Ataturk's memorial overlooks the modern city that is Turkey's capital.

Left, a moment of relaxation in Ankara's commercial center.

A HERITAGE of arrivals and departures. CLASSIC CONNECTIONS

Like the gates of the Ottoman built Dolmabahce Palace in Istanbul, Turkey itself has seen a great deal of arrivals and departures - even before the Hittites in 2,000 BC. Today Turkish Airlines carries on that tradition with a modern fleet of A340's coming from and going to more countries than ever before. And being at the gates of East and West historically means we know a thing or two about how to give travellers a warm welcome.

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Development projects include the creation of parks and green areas.

BREATHING EASILY THANKS TO POLLUTION REDUCTION

Once one of the world's most polluted cities, Ankara can now breathe relatively easily - thanks to recent efforts to clean up fuel and automobile emissions.

"There has been a marked improvement from the days when pigeons would drop out of the sky from the smog," says Coskan Das, general secretary of the Turkish Society for the Protection of Nature.

Ankara is not a heavy manufacturing center. The industries it possesses are high-tech: defense and electronics enterprises that work in cooperation with the city's universities. The city is, however, situated on a high mountain plateau surrounded by mountains - a textbook case of cold air inversion, trapping rising fumes.

The city of Ankara first took steps to clean up its act in the mid-1980s, when it insisted that apartment blocks burn imported anthracite instead of the locally mined soft lignite

coal. The real improvement came with the advent of Siberian natural gas purchased through a nation-to-nation offset agreement.

The initial job of joining some 300,000 houses to the natural gas network was completed last year, with 100,000 additional users still awaiting connection in the second phase of the project won by Atilla Dogan.

Natural gas has reduced emissions

an Ankara-based company, and the Italian contractor SII. Syndication for this project, which includes plans to lay another 850 kilometers (525 miles) of pipes, has been completed, but still awaits approval of SACE, the Italian export credit agency.

The city is also experimenting with more sophisticated solar energy projects and schemes to monitor by computer energy consumption in new housing,

according to Melih Tan, energy adviser to the mayor. Ankara's efforts won it special mention at the Rio Earth Summit last year.

In order to tackle car emissions, Ankara is now toying with a new scheme whereby cars will have to be licensed to show that they are tuned to an acceptable standard. While some protest that diesel-spewing municipal vehicles are the worst offenders, the city is also introducing buses that run on natural gas. City government still does not have the legal independence to enforce stricter regulations or to require catalytic converters.

In the end, the long-term solution may be to bury the problem - literally. Ankara's new subway system, designed to carry a half a million passengers per day, is scheduled to begin operations in 1996 and will prevent some 25,000 tons of carbon dioxide from reaching the environment every year.

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. • It was written by Andrew Finkel, a correspondent based in Istanbul and writer on Turkish affairs. • Photos by Peter Stumpf/SIPA PRESS.

سكنا من الاصل

سكنا من الامم

REPUBLIC OF TURKEY

URBAN PROJECTS AIM TO TRANSFORM CITY

Urban planning in Turkey's second-largest city must take into account a rapidly evolving metropolis. In Ankara, the authorities must plan for an annual 4 percent rate of growth, or what is in effect the addition of a decent-sized city of 120,000 every year.

This means not simply laying down the grid for future expansion but also — and more expensively — trying to deal with the past effects of random urbanization. In recent years, the city elders have set themselves a long list of major projects designed both to meet the demand for basic utilities and to define the city's function and cultural place in both Turkey and the wider region.

What the metropolitan authorities refer to as "transformation" projects are those aimed at installing essential utilities. These include the completion of a natural-gas complex as well as major water and sanitation projects. It also entails the creation of an underground and light-rail mass-transit system.

The city is also embarked on what it categorizes as "development" projects, which are in effect massive urban-clearance schemes based on creating new settlement areas with the eventual hope of improving the old residential neighborhoods left behind. It also means incorporating new green areas into the future growth of the city.

The first stage of the natural-gas program, begun in 1988 with the participation of British Gas, reached

completion last year, with the \$150 million second stage waiting to begin.

The Greater Ankara sewage project, financed by the World Bank, is due for completion in 1998 at a cost of \$560 million. This is in addition to the work of renewing the water distrib-

technologically distinct light-rail system, intended to begin operation in 1995. The civil work is part of a partnership between Yuksel and Bayindir in a consortium that includes Siemens AEG, with the Italian firm Breda providing the rolling stock.

career to become mayor of Ankara in 1989.

The city has now embarked on two additional major developments: the Dikmen Valley housing and environmental development scheme, which is an attempt to rehouse 2,000 inhabitants and at the same

activities, a cultural center and an international fair-ground and congress center.

Although some of these projects, particularly those involving housing, will generate their own income, paying for Ankara's facelift remains a matter of political negotiation between the city and the central government and of presenting a financial plan to the voters.

Many believe that Ankara should now take stock of its own revenue potential by doing more to rationalize its payroll, charging for services or simply installing parking meters. There is also some agreement that the infrastructure investments that will make the most difference are the ones many miles away from the capital's boundaries, in other parts of Turkey, that will encourage alternative centers of growth.

Vehbi Koc, a native son of Ankara and now honorary chairman of Koc Holding, has made many philanthropic donations to Ankara's cultural and academic life. He believes that the training and development of Turkey's youth is the best way to face the challenges of the future. In order to improve one of Turkey's most important assets — its global competitiveness — the Koc group's training and development center, KOGEK, has embarked on a "total quality" program.

Called Koc 2000, it aims to achieve total quality in both management and production, and in so doing strengthen Turkey's economy and its standing in the world.

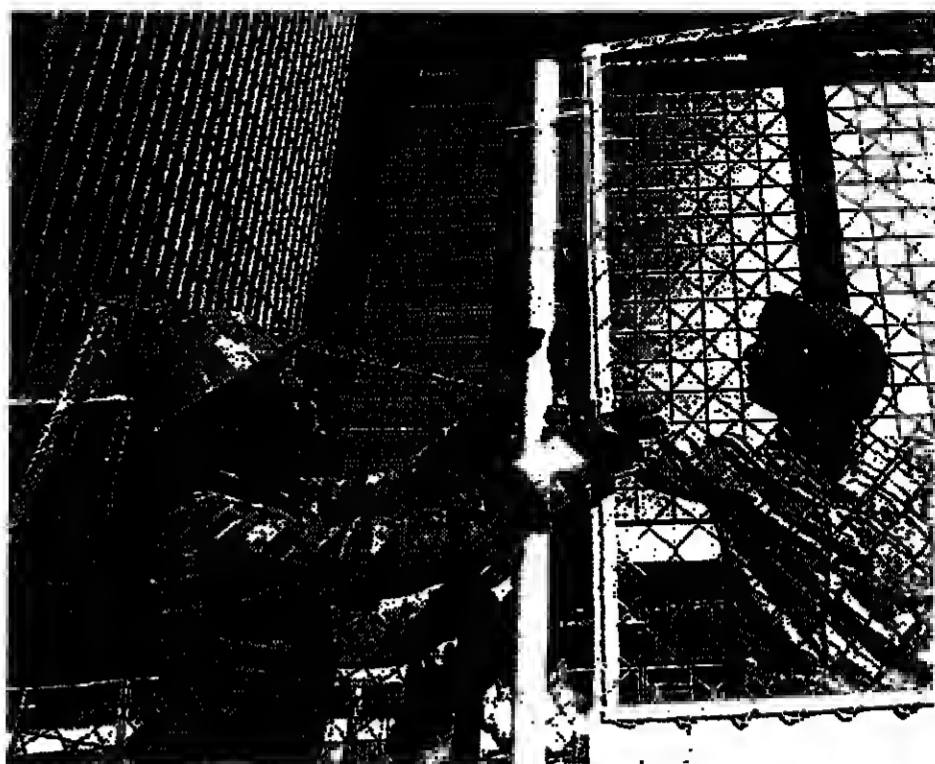
time create additional housing, and also a green area and a recreational lake for the rest of the city.

The Orange Blossom (Portakal Cicegi) Valley is also an attempt to reclaim what was originally zoned as a green area for the city. The construction of high-cost housing is intended to finance the maintenance of the area as well as a glass-domed cultural center with restaurants and other facilities.

Work is also now completed on the 640,000-square-meter "Altin" or "Golden" Park, which houses leisure and sport



New subway and light-rail projects will help reduce congestion in the city center.



Funds raised on the markets are an important element of project finance.

CITY HALL GOES TO MARKET AND GAINS SPENDING POWER

Not far from Ankara is the ancient garrison town of Gordium, where Alexander the Great gave an early demonstration in lateral thinking by undoing an intricate knot with the edge of his sword. It is a lesson the present Ankara municipality took to heart when trying to unravel the complicated threads of Turkish local government finance.

In 1992, the municipality made the bold move of submitting itself to Standard & Poor's. It convinced the U.S. credit rating agency that the government was unlikely, for reasons of prestige, to allow its capital city to default. Standard & Poor's agreed and awarded Ankara the same BBB standing then enjoyed by the Turkish Treasury itself.

This allowed the city to raise not just loans, but securities. To date, it has tapped \$655 million on the international markets, including \$410 million

worth of Samuray bonds. This has given the municipality unparalleled spending power through its budget of 17.2 trillion Turkish liras (\$1.34 billion), of which 11 trillion liras are earmarked for investment.

This is in addition to those loans under Treasury guarantee, like the \$209 million trade and export

11 trillion liras for investment

credits for the first phase of the natural-gas project.

This contrasts with the period after 1989, when Ankara, like major cities throughout Turkey, elected Social Democratic mayors in opposition to a national government of a different hue. Reforms after 1984 increased local government revenues both in absolute terms and as a share of the national budget. Even so, municipalities are still, in practice, dependent on extrabudgetary funds, par-

ticularly for project finance. After general elections in 1991, the Ankara municipality seized its chance when the Social Democratic Populist Party became a junior partner in the national coalition government. Even prior to this, the city had raised \$150 million in Frankfurt the previous year.

"They approached the market in a highly professional manner," says John Ong of Banker's Trust, whose bank led on the first tranche of the \$220 million metro project.

The city's progress in the money markets and its ability to handle large outstanding debt will be watched with great interest by those medium-sized municipalities in Turkey that are campaigning for greater decentralization and accountability at the local level. The World Bank, which also champions this cause, has financed municipal water projects, including sanitation schemes, in Ankara.

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"Koç" is pronounced in English as "scotch" without the "s"

SPORTS

Starring for Charlotte: Demographics

By Peter Applebome

Charlotte, North Carolina — The Carolina Panthers will do, but if the owners of the National Football League's newest franchise really want to get the name right they might try something more descriptive, like the Carolina Post-Urban Regional Configuration.

To be sure, urban policy was not exactly Topic A on Wednesday in this town.

From the exultant "TOUCH-DOWN!" across the top of The Charlotte Observer, to James Laughlin hawking cassettes of his "Carolina Rally Song," to the hand-scrawled "Carolina Panthers—A Reality" triumphantly tucked in Uptown Donnie's hot dog stand, the only subject was the NFL's anointing of Charlotte on Tuesday as the home of the league's 29th franchise.

In a town with a particularly pronounced strain of the South's veneration of go-go hustle and self-promotion, the euphoria was no surprise. But with sports as much dollars and demographics as muscle and mud, Charlotte's victory over better known cities like Baltimore and St. Louis is a revealing window onto a nation whose center of gravity is moving South and whose old notions of what a city is are often as out of date as a leather helmet.

Still, sometimes confused with Charleston to the south or Charlottesville to the north, Charlotte may still be a place few people can place on a map.

But from its conspicuous economic success in recent years, to its flood of newcomers, to its sprawling market area composed of medium-sized cities running from Durham, North Carolina, to Columbia, South Carolina, the new NFL franchise is a reminder of how different the growing cities that snare sports franchises often are from the older cities that got them to the past.

NFL Tries Again in Europe

ROSEMONT, Illinois — The NFL, whose experiment with the World League failed because its American franchises couldn't attract fans, will now try its hand at an all-European league.

The NFL on Wednesday concluded two days of meetings with the announcement it would sponsor a league based entirely in Europe beginning in the spring of 1995.

The defunct World League played in 1991 and 1992 with cities in both Europe and the United States. Barcelona, London and Frankfurt, all of which had World League teams, are expected to be joined by three more, with Paris and Birmingham, England, among the possible sites.

Commissioner Paul Tagliabue said the new European league would draw its players from the same pool as the old World League — fringe players on NFL teams and free agents. "We still want to think of it as a developmental league," he said.

Tagliabue said the league would be run by someone with extensive marketing experience on the continent. Asked if it might be a European, he replied: "I wouldn't rule that out."

Also on Wednesday, New Orleans was awarded the 1997 Super Bowl and San Diego the 1998 contest, with Tampa and Los Angeles the other contenders.

"When Charlotte talks about being part of a market with 10 million people within 150 square miles, it's not really a statistical sleight of hand or a rhetorical flourish," said David Goldfield, an urban historian at the University of North Carolina at Charlotte.

"It's really a historical truth," he said. "Other cities increasingly are marketing themselves as regional entities, but for us there's a particular historical truth to it."

"Charlotte has always conceived itself as being the economic capital of the two Carolinas," said Dan Morrill, a history professor at the university. "This is nothing new."

From the stores hawking merchandise for a team so far without players or stadium, to the live television coverage of the return of the Carolina delegation that courted the NFL owners in Chicago, to the celebrations downtown, one might think the millennium had arrived, not football.

with tentacles, toiling in Atlanta's shadow for most of this century. But with a booming economy based on banking and a diversified service and manufacturing base, Charlotte has blossomed in the past two decades to become the nation's third-leading banking center. The city grew by 25.5 percent from 1980 to 1990, in 396,000 people. Its metropolitan area grew by almost 20 percent, in 1.1 million.

Still, neither figure makes Charlotte a powerhouse. It is now the 34th-largest metropolitan area, between Buffalo-Niagara Falls and Providence-Pawtucket and the 35th-largest city, between St. Louis and Atlanta.

What persuaded the NFL was a marketing area that includes most of the Carolinas.

Marketing studies developed by Rand McNally and used to promote Charlotte indicate that using a basic trading area that includes surrounding counties, Charlotte ranks 28th nationally.

Using an expanded unit definition that takes in 134 counties, Charlotte ranked sixth in size. And, in fact, the euphoria about the football franchise spread throughout the Carolinas.

"We are ecstatic," said Dick Blouse, executive director of the Greenville Chamber of Commerce in South Carolina. "We don't view this as a Charlotte team, but a regional team."

In Clemson, South Carolina, where the team will play its first year on the field at Clemson University, interest in the team is already high, that customers lined up at the Mr. Knickerbocker sporting goods store to buy Panthers paraphernalia. The store manager, David Spearman, said he had to turn them away because his shipment had not arrived.

"It's like living through an earthquake this morning," he said.



Diego Maradona looking thinner, but skeptical, on Thursday.

A Leaner Maradona Ready for Australia

SYDNEY — Diego Maradona said on Thursday he wanted to play for Argentina until 1995, even if his country failed to qualify for next year's World Cup finals.

"I would like to play for my national team for two more years," Maradona told reporters ahead of Sunday's vital World Cup qualifying match against Australia in Sydney.

"I feel great at the moment but I realize I do not have all that much time left to play at the highest level," said the Argentine captain, who celebrates his 33rd birthday on the eve of the first-leg clash.

He claims to have shed 12 kilograms (27 pounds) in his bid to regain match fitness, and he looks it. Still, observers of his preparation in practice say he takes quite a bit of "rest time" when the going gets tough and his speed work leaves a great deal to be desired.

Maradona led Argentina to the 1986 World Cup title and is one of the greatest players of his generation.

FIFA, world soccer's governing body, suspended him for 15 months after traces of cocaine were found in his system in a random drug test in Italy in 1991.

But Maradona has revitalized his career since returning to Argentina from Spain to play club football earlier this year.

He was recalled by national coach Alfio Basile after Argentina's humiliating 5-0 loss to Colombia last month in World Cup qualifying. The loss forced the 1990 World Cup runners-up to meet Oceania winner Australia for a shot at next year's finals in the United States.

"I am very happy to play in Argentina and play for the national team because I love the country so much," said Maradona, who made his debut for the Argentine first division team Newell's Old Boys three weeks ago, ending a four-month layoff.

Basile, who admitted his job was on the line against Australia, said Maradona's return was an inspiration for the team. "Everybody wants to play in the same team as Diego and the other players are well motivated," the coach said.

Australian coach Eddie Thomson told reporters his side must win Sunday's first leg to have any chance of qualifying. The return match will be Nov. 17 in Buenos Aires. (Reuters, AP, UPI)

Watchdog Body Scrutinizes Marseille's Finances

PARIS — A report on the accounts of heavily indebted European soccer champions Marseille was handed over to French League president Noel Le Graët on Thursday, league sources said.

A financial watchdog body, which has relegated three first division teams — Bordeaux, Besançon and Toulon — over financial trouble in the past two years, will now study the report.

No information about the report would be given before early next

week, a league spokesman said without elaborating.

Marseille boss Bernard Tapie, who has said he would resign by the end of the season to concentrate on politics, acknowledged his club faced a 66 million franc (\$12 million) deficit but dismissed widely reported figures of 400 million francs as fabricated.

Marseille, crippled by debts since being ejected from European soccer in a bribery scandal, have already sold Croatian striker Alen Boksic to Lazio of Italy for 70 million francs.

home against Napoli on Nov. 7. Marseille, in deep financial trouble since being ejected from European soccer in a bribery scandal, stands a disappointing fifth in the league, four points behind arch-rival Paris St. Germain.

The Paris club, which looks set to replace Marseille as France's top team, is widely favored to pick up two more points when it plays at home against Nantes.

PSG, which has scored six wins in as many matches at the Parc des Princes in Paris, could increase its lead over second-place Bordeaux

Los Angeles — Mike Piazza, a 62nd-round draft pick who had one of the finest rookie seasons ever, has been unanimously voted National League Rookie of the Year.

Piazza, who won the Dodgers catching job in spring training, hit 318 with 35 home runs and 112 RBIs. His average was the highest of any NL Rookie of the Year since the award began in 1947, and he was the first winner to drive in 100 runs. Piazza was seventh in the league in hitting, sixth in homers and fourth in RBIs.

Piazza, the 1,389th player taken in the 1988 amateur draft, on Wednesday became the sixth unanimous NL rookie winner, joining Frank Robinson in 1956, Orlando Cepeda in 1958, Willie McCovey in 1959, Vince Coleman in 1985 and Benito Santiago in 1987.

Atlanta Braves pitcher Greg Maddux was second in the balloting, receiving 12 second-place votes and four thirds from the Baseball Writers Association of America.

Piazza, 25, became the sixth player in the 103-year history of the Dodgers to hit 300 and surpass the 30-homer and 100-RBI marks in the same season, joining Roy Campanella, Duke Snider, Gil Hodges, Babe Herman and Pedro Guerrero.

He homered twice in a game five times after Aug. 29, including the final day of the season, when he drove in four runs as the Dodgers routed the Giants, 12-1, and knocked San Francisco out of a first-place tie with Atlanta.

He threw out 35 percent of opposing basemen attempting to steal, the third best percentage in the NL.

SCOREBOARD

HOCKEY

NHL Standings

EASTERN CONFERENCE		WESTERN CONFERENCE	
Team	W-L-T Pts	Team	W-L-T Pts
Atlantic Division			
Philadelphia	8-1-3 19	Montreal	4-3-1 11
New Jersey	7-1-4 15	Pittsburgh	3-3-1 7
N.Y. Rangers	5-5-0 10	Boston	3-3-1 7
Washington	4-7-0 8	Quebec	4-5-1 9
Tampa Bay	3-4-1 7	Hartford	3-5-1 7
Florida	2-5-3 7	Buffalo	2-7-1 5
N.Y. Islanders	2-6-1 5	Columbus	1-5-2 4
Central Division			
Toronto	6-3-0 12	Los Angeles	6-2-3 14
Dallas	6-3-1 13	San Jose	5-2-3 11
Minnesota	6-3-1 13	Edmonton	5-2-1 11
St. Louis	5-2-1 11	San Jose	5-2-1 11
Chicago	4-4-3 11	San Jose	5-2-1 11
Detroit	3-5-4 10		
Pacific Division			
Vancouver	7-3-0 14	Calgary	6-2-3 14
Los Angeles	5-4-3 14	Los Angeles	5-4-3 14
Anaheim	5-5-0 10	Edmonton	5-2-1 11
San Jose	4-6-3 11	San Jose	5-2-1 11

BASEBALL

Team	W-L-T Pts	
AL		
Seattle	10-3-0 20	
Los Angeles	7-6-0 14	
Oakland	7-5-0 14	
Minnesota	6-6-0 12	
San Diego	6-6-0 12	
San Francisco	5-7-0 10	
Chicago	4-7-0 8	
Philadelphia	4-7-0 8	
Los Angeles	3-8-0 6	
San Francisco	3-8-0 6	
San Diego	3-8-0 6	
Seattle	2-9-0 4	
Los Angeles	2-9-0 4	
San Diego	2-9-0 4	
Seattle	2-9-0 4	
Los Angeles	2-9-0 4	
San Diego	2-9-0 4	
Seattle	2-9-0 4	

BASEBALL

Team	W-L-T Pts	
NL		
Los Angeles	9-4-0 18	
San Francisco	8-5-0 16	
Atlanta	7-6-0 14	
San Diego	6-7-0 12	
Philadelphia	6-7-0 12	
San Francisco	5-8-0 10	
Los Angeles	5-8-0 10	
San Diego	4-9-0 8	
Philadelphia	4-9-0 8	
San Francisco	4-9-0 8	
Los Angeles	3-10-0 6	
San Diego	3-10-0 6	
Philadelphia	3-10-0 6	
San Francisco	3-10-0 6	
Los Angeles	3-10-0 6	
San Diego	3-10-0 6	
Philadelphia	3-10-0 6	
San Francisco	3-10-0 6	

SOCCER

Team	W-L-T Pts	
ENGLISH LEAGUE CUP		
Derby	1-0-0 2	
Tottenham	1-0-0 2	
Sheff Wed	1-0-0 2	
Sheff Wed	1-0-0 2	
Sheff Wed	1-0-0 2	
Sheff Wed	1-0-0 2	
Sheff Wed	1-0-0 2	
Sheff Wed	1-0-0 2	
Sheff Wed	1-0-0 2	
Sheff Wed	1-0-0 2	

NL Rookie Honor Crowns Piazza's Superb Season

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DENNIS THE MENACE



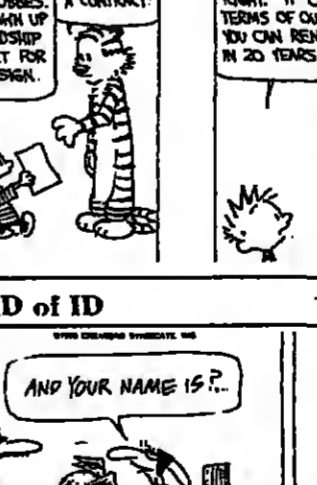
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Fill in the missing letters to complete the words.

MEERY: M _ _ _ Y

DISTA: D _ _ _ T _ A

SKENIC: S _ _ _ E _ _ I _ C

TIXECE: T _ _ _ _ X _ _ C _ _ E

Answer here: A _ _ _ _ _ _ _ _ _ _ _

Yesterday's: M _ _ _ _ _ _ _ _ _ _ _
 Tomorrow: _ _ _ _ _ _ _ _ _ _ _
 Weekend: _ _ _ _ _ _ _ _ _ _ _

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SPORTS



Kazuyoshi Miura, right, and Ruy Ramos celebrated Japan's first goal, by Miura in the 6th minute, but their glee later turned to gloom.

A Last-Minute Iraqi Goal Ousts Japan Saudi Arabia and South Korea Reach World Cup Finals

DOHA, Qatar — The South Koreans and Saudi Arabians capered with joy but there was only despair for Japan on Thursday in a dramatic climax to the Asian Zone's World Cup qualifying tournament. With 89 minutes played in the Japan-Iraq match it looked as if the Japanese would be playing in the United States next year. But a headed goal from Iraq substitute Jaffar Omran in the final minute made it 2-2. Japan's dream was over. South Korea had thought its 3-0 win over North Korea, completed earlier in the day, was not enough. But the players went wild with delight when news of the Iraq equalizer came through. South Korea ended the round-robin tournament level with Japan, with six points, behind Saudi Arabia's seven. But the Koreans scored two more goals than the Japanese, so they go to the finals. The Saudis, playing some delightful one-touch football, sparked hysterical celebrations among their 20,000 traveling supporters with their 4-3 win over Iran.

Cup Skiing Gets an Early Start on an Austrian Glacier

SOLDEN, Austria — Alberto Tomba, who seems to be having his best skiing for Olympic years, is looking for a fast start in the World Cup races. Coming off a poor season and troubled by a sore tendon, the Italian ace sounded a realistic note on the eve of the start of the World Cup season. "I am aware that the competition is increasingly tough, but it's important for my morale to have a good start and I'm shooting for a finish among the top three," Tomba said in an interview. The World Cup opens with a men's giant slalom Saturday in this winter resort on a glacier. The powerful Norwegian team, led by Kjetil André Aamodt, and the defending World Cup champion, Marc Girardelli of Luxembourg, are major threats to the 26-year-old Italian, known as La Bomba because of his powerful style. A spill in the opening slalom at Sestriere last year began Tomba's streak of failures in the World Cup and in the World Championships in Japan. The Italian ended the last

season with a single victory in a World Cup race after setting an impressive pace of nine World Cup wins in 1988 and 1992, both Olympic years. Tomba has been busy this week treating a knee tendon inflammation that his trainers said would not prevent his starting in Solden. The men's World Cup opener proceeds by four weeks the second round of races scheduled in Lillehammer, Norway, on Feb. 12-27. European coaches agreed that most skiers would not be in top shape in the World Cup opener, focusing instead on the busiest period of the season from December to February. The 1994 Winter Olympics are scheduled in Lillehammer, Norway, on Feb. 12-27. Tomba, the only skier to have won three titles in consecutive Olympics at Calgary and Albertville, will be shooting for a record fourth gold in Norway. Girardelli, an Austrian-born all-around skier, will be also bidding for a record — a sixth World Cup overall title. Aamodt, the Olympic super-giant slalom champion seen as the skier who may put an end to the Tomba era, leads a powerful Norwegian squad including two other potential winners in Saturday's race — Jan Heinar Thorsen and Lasse Kjus. Paul Accola of Switzerland, a former World Cup champion, must show if he has recovered from upsets and injuries suffered last season. Bernhard Gstrein is the top Austrian giant slalom starter while Sweden will rely on Fredrik Nyberg as Johan Wallner is recovering from a bad spill. Gustavo Thoenen, the former Italian ski great and now Tomba's personal coach, said: "Alberto can do well in Solden, although he has been skiing better in slalom than in giant slalom during recent tests. "However, Saturday's race will be especially useful for testing initial results of summer training programs. The real competition begins in December, with the best skiers thinking of the Olympics more than the World Cup." The first weekend of Alpine skiing will be completed Sunday by a women's giant slalom, featuring renewed competition among Austria's Anita Wachter, the defending

Male Coach, Female Victim? Florida Case Raises New Harassment Issues

By Christine Brennan Washington Post Service WASHINGTON — The alleged sexual harassment that led to the dismissal of Mitch Ivey, the University of Florida women's swimming coach, is a symptom of a widespread problem among men who coach female athletes, the executive director of the Women's Sports Foundation says. "I don't think there's any question that this is a very serious problem in athletics that has been shrouded under the rug in the past," the director, Donna Lopiano, said Wednesday. "I've never talked to a women's athletic director who hasn't run into it." Ivey, 44, a two-time Olympian and one of the most successful swimming coaches in the United States, was fired Monday after a university investigation allegedly revealed instances of sexual harassment. The Florida inquiry started after the television sports network ESPN began to work on a story on Ivey's interaction with his current and former athletes. The network reported Tuesday that Ivey used offensive language with some of his swimmers and that Florida athletic department officials had been warned about his history of having sexual relationships with his athletes. Ivey has denied the allegations. Lopiano told ESPN that when she was women's athletic director at the University of Texas, she interviewed Ivey for a job, but refused to hire him because of "his reputation of going out and then marrying his athletes." Ivey has been married three times, each time to one of his former athletes. Lopiano also said that in 1990, when Florida was considering hiring Ivey, she told Florida associate athletic director Ann Marie Lawler why Texas had not hired him. "I got the impression the decision was made, that they had heard about these things but he had convinced them he had changed," Lopiano said in a telephone interview from Long Island. In a statement Tuesday night, Lawler said she spoke with many people "who endorsed Mitch as the appropriate person to lead our swim program. He was newly married, and I felt comfortable about the hiring procedure." A source within the Florida athletic department said administrators were "very aware of the rumors" concerning Ivey. "In hindsight, there might have been too much time spent looking into possible sexual relationships with athletes and too little time spent on looking into sexual harassment of athletes, the bad jokes and bad words," the source said. One of Ivey's former female swimmers said Wednesday that he "was a sleazebuck on the deck" of the pool, "with the kind of comments he would make." The swimmer, who spoke on the condition of anonymity, said Ivey "slept with several swimmers and made lewd comments on the deck about women's bodies." The swimmer said Ivey never propositioned her. Mary T. Meagher, a three-time Olympian, never was coached by Ivey, but said, like many swimmers, she knew of his reputation. "If you look objectively at his track record, he does have a history of dating his athletes," Meagher said. "The question is, 'Did he pressure them? Did he cross the line? I don't know.'" She said the relationship between a male coach and a young female swimmer is ambiguous. "It's a lonely sport with the way we train and compete," Meagher said. "When you bring in the fact that we are in our swimming suit, which covers a small part of our bodies, it makes us vulnerable. When a coach puts his arm around you, it's skin touching skin. In some cases, that makes it easier to go a little farther, especially with the girl who doesn't know the difference between infatuation and something more. That's where the male coach has to draw the line." Lopiano said that this summer, the Women's Sports Foundation appointed an ad hoc committee to study the relationship between male coaches and female athletes. "We started getting a bunch of calls about this," she said. "I'm guessing it's part of the post-Aquila Hill sexual harassment education in this country... The coach-athlete relationship is love-hate. He makes you do all that work, but there's nothing more you want to do than gain his attention. Let's face it, athletic programs are in the dark ages on this."

Between Rats and Traffic, Can Big Apple Ever Be Olympic?

By Jere Longman New York Times Service NEW YORK — A successful staging of the 1998 Goodwill Games could lead to serious discussions about a bid by the New York metropolitan area for the 2008 or 2012 Summer Olympics, officials connected with the Goodwill Games said. The talk Wednesday was just that: Talk. More like a Christmas wish list for the next decade. Or a pipe dream. With the 1996 Summer Olympics to be held in Atlanta and with Salt Lake City considered a strong candidate to play host to the 2002 Winter Olympics, the United States may have played out its Olympic hand for years to come. The U.S. Olympic Committee will not begin to entertain future Olympic bids from U.S. cities until 1996 or 1997, said Harvey Schiller, executive director of the USOC. If New York did make a bid, it would first face domestic competition at least from Boston, Miami and Los Angeles, host of the 1984 Summer Olympics. And it remains to be seen whether New York could suitably address the concerns of money, competition venues, security, housing and transportation to put together a convincing bid to the Olympic Committee. New York's bid for the 1984 Summer Olympics was hampered by the city's financial problems in the late 1970s. If it was selected by the Olympic Committee for 2008 or 2012, New York would face competition from several foreign cities for final approval by the International Olympic Committee. Last month, Sydney won the bid for the 2000 Games, and the 2004 Games will not be awarded until 1997. So the earliest Summer Games a U.S. city could hope in land would be the 2008 Olympics. The 1998 Goodwill Games, to be contested in the metropolitan area from July through Aug. 9 of that year, are expected to provide some answers about the legitimacy of a New York Olympic bid. The Goodwill Games were conceived by Ted Turner in the mid-'80s to foster relationships between the U.S. and the former Soviet Union. "Part of the legacy will be an honest appraisal of our ability to bid on and host the Olympic Games sometime in the future,"

said Robert M. Johnson, chairman of the 1998 Goodwill Games organizing committee and publisher of Newsday. It would be unreasonable for New York to consider a bid now, Johnson said, given the proximity of the Atlanta Games and Salt Lake City's strong bid for the 2002 Winter Games. The 1998 Goodwill Games, expected to cost \$60 million and pump \$500 million into the regional economy, are scheduled to draw 2,000 athletes from more than 50 countries competing in 24 sports at sites in New York, New Jersey and Long Island. Planned here a new aquatics center near Hofstra University in Nassau County and a renovation of the Kissena Velodrome in Queens. Carrying out these plans for a multinational event featuring thousands of athletes, of course, is another story. The 1991 U.S. track and field championships — at Randall's Island — were a public-relations disaster. No wind gauge was available at the start of the meet, which threatened to negate the early world-record pace of the decathlete Dan O'Brien. Rats were spotted in the stadium. And Julie Jenkins, one of the country's top 800-meter runners, was struck by a van as she crossed the street in Midtown. "The timing would have to be right; it's not now," said Matt Scheckner, executive director of the New York City Sports Commission Foundation, speaking of an Olympic bid. "We are not at all angry about this decision," he said. "Now we are trying to find a way to pay \$50,000 to remove the disqualification." Polyakov added that the Russian federation was trying to raise the funds. In Lahli, Finland, the international federation's secretary-general, Tamas Ajan, said Thursday that Russia could apply to pay a fine to have its suspension lifted. But Polyakov said Russia — one

INTERNATIONAL CLASSIFIED. A large section containing various advertisements for real estate, business services, travel, and international classifieds. Includes sub-sections like 'TODAY'S REAL ESTATE MARKETPLACE', 'SAVE ON International Phone Calls', 'SERVICED OFFICES', 'Today's HOLIDAYS & TRAVEL SECTION', 'AUTO RENTALS', 'MERCEDS-BENZ CARS', 'RUSSIAN Weightlifters Seek Easing of World Ban', 'ESCORTS & GUIDES', and 'INTERNATIONAL CLASSIFIED' with multiple agency listings.

Thinking About Art? Then don't miss the Art Section every Saturday in the Trib.

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OBSERVER

Movies Need a Czar

By Russell Baker

WASHINGTON — Janet Reno was vague in her congressional testimony last week about how the government might go about censoring violence in movies and television. I think they will need a czar.

Writing law to cover every conceivable form of violence to be banned is obviously impossible. Screenwriters' imaginations will always be 10 miles ahead of the plodding congressmen.

Until young men began copying a nasty movie stunt by lying down in traffic to prove their masochism, who would have thought to fatten a kinder-gentler-entertainment law by forbidding movies to show scenes of people supine on the highway?

The newspaper was weak on details about how to do it, but the TV news ran a little of the movie scene that evening, probably so others who had missed the movie could see how to do it in case they wanted to try.

Watching 18-wheelers thunder overhead did not appeal to me, even though it was obviously a much faster way to show masochism than my present technique, which requires waiting six hours every Sunday glued to televised football.

After deciding to stick with the football, I realized that any sane censorship of violence would have had to crack down on the TV news show that ran the nasty highway scene.

The news industry is as tetchy about the First Amendment as the gun lobby is about the Second. Both resist the mildest appeal for moderated zeal on ground that the slightest concession will open the door to barbarians eager to deprive the honest humanism of his rifle and the upright citizen of information published without fear or favor.

As you can tell, I have been thinking deeply about all this. Why? First, because I believe the only way to deal with violence in entertainment is to pass a law creating an all-powerful czar to do the censoring. Second, because I would like to be that czar.

At one time the czar was a sort of American institution. When confronted by a terrible mess or a ter-

rible problem that was too much for standard institutions to handle, the country called in a czar.

In World War II we had czars in charge of getting war production geared up. Long before, organized baseball made Judge Kenesaw Mountain Landis the czar of baseball to save it from odium after gamblers fixed the 1919 World Series. Czars have long been out of style, and look at the mess the country is in.

A czar could help the entertainment world shake its violence addiction by showing this market-driven industry that there are other ways to rake in the billions. I refer specifically to sex, which, except in disreputable pornographic films, has never been represented as graphically, intimately and clinically as violence on either the movie or TV screen.

It is a mystery why an industry willing to devote its skills to revolting depictions of the human body being destroyed by explosives, automobiles, bayonets, car crushers, Islamic slicers, carnivorous fish, grotesque beasts, tank treads, axes, impaling spikes, vats of boiling acids — well, the mystery is why so much ingenuity should be lavished on the human body being made to feel wretched, and so little on the human body being made to feel good.

Surely young people who make up so much of the audience for violence would men out for sex, too, if it were presented with the same loving detail now given to violence.

All we ever see of sex at present is an embarrassed-little-boy banality involving a brief instant of female frontal nudity and the usual boring glimpse of bare male buttocks.

With films producing material that celebrates life rather than death, a violence czar would have to risk outraging the press by forbidding TV news people to replay scenes of movie violence. There wouldn't be any.

Bluntness and prigs, I suppose, would soon start complaining that sex in movies and television TV sex was rotting the country's moral fabric. That's not the violence czar's problem, is it? If Congress really believes it, let it create a sex czar.

New York Times Service

Howard Stern Turns Raunch Into an Art

By Richard Harrington

NEW YORK — "I don't think that you can go too far on the radio," says morning maniac Howard Stern, the man who invented "Lesbian Dial-a-Date," "Who's the Jew?," "Virgin Mary Kong" and "Butt Bongo."

But you can certainly get far on the radio. You can even become "The King of All Media."

That's what Howard Stern calls himself these days, and who's to argue? His irreverent and raunchy radio show, which originates here weekday mornings from Infinity Broadcasting's WXRK studio, reaches an audience of 15 million people in 16 cities.

Along with the FCC, Stern has been fined more than \$1 million by the Federal Communications Commission, though it's Infinity Broadcasting that may eventually have to pay its money where Stern's mouth is.

But Stern, 39, insists, "I never set out to be the First Amendment poster boy." He adds, "I'm just talking."

But to the FCC, and to his many detractors, Stern is a misogynist, a homophobe and a racist — an equal opportunity exploiter. His rude, crude prurient humor and vitriolic personal attacks represent a new low in the annals of radio.

But Stern, 39, insists, "I never set out to be the First Amendment poster boy." He adds, "I'm just talking."

Stern admits: "I can understand why people would be shocked by some of this stuff. They're shocked by the honesty. I'm not going for laughs, I'm going for reality."



Talk show host Stern: "I never set out to be the First Amendment poster boy."

Stern seems fixated on his sex organ — its size and performance, neither of which is much to speak of, he says. "There's got to be lots of guys who can relate to that. And who else is going to admit it if I don't?" That's why some folks accuse him of being the aural equivalent of a flasher.

And what you hear is "Everything," he says. "I don't find anything offensive. It's every topic, what I think a typical guy would talk about."

Stern doesn't drink, smoke, do drugs or eat red meat. He's practiced transcendental meditation (during his limo rides to and from work) for 20 years. He's a family man who says he loves his parents, dotes on his three young daughters and insists he has never cheated on his wife, Alison, his college sweetheart.

As listeners know, Stern is out all that far apart, politically, from his publishing-house partner, Rush Limbaugh. Under Stern's sophomoric, libidinous exterior beats the heart of a law-and-order conservative who is anti-government, anti-welfare, anti-drug, anti-crime.

PEOPLE

Dewi Sukarno, at 53, Shows All in New Book

Dewi Sukarno, wife of the late Indonesian president, will publish a book of mostly nude photographs of herself on Friday, her publisher said in Tokyo. Entitled "Syuga," loosely translated as "superior in elegance," the book has an initial printing of 100,000 copies.

Pierre Cardin says he will hold his first fashion shows in Vietnam in mid-November in Hanoi and Ho Chi Minh City. Cardin is also planning to open a chain of boutiques and a factory as well as outlets for his perfume and cosmetics.

For the first time in 19 years, the Jackson family will perform together. NBC television will tape a two-hour special in Atlantic City, New Jersey, to be broadcast Jan. 10. The program will feature Michael and the rest of the family — Janet, Jermaine, Marlon, Randy, Reebie, Tito, Katherine and Joe Jackson.

Sir Stephen Spender, who believes the plot of David Levitt's new novel, "While England Sleeps," was stolen from his 1948 autobiography, has won a pledge in London's High Court that the book will not be further distributed in Britain pending the full hearing of his plea for an injunction. Levitt, a U.S. author, agreed not to sell or distribute the book.

Ladavis Jackson, a former cook for Elizabeth Taylor, refuses to take the rap for Liz's extra pounds. Jackson has filed a libel suit against the National Enquirer over a story that said she was fired by Taylor's husband, Larry Fortensky, because she couldn't cook low-cal food. "Liz Taylor was gaining weight long before my chef was hired," said Jackson's lawyer, Kenneth Kazan. The suit seeks more than \$1 million in damages and lost wages. She was Taylor's cook for less than two months in 1992 when she quit, Kazan said.

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Appears on Pages 4, 8 & 21.

WEATHER

Weather forecast section including maps for Europe, North America, and Asia, with temperature and precipitation data for various regions.

CROSSWORD

Crossword puzzle section with clues for Across and Down, and a solution to the puzzle from Oct. 28.

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